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BASE REALIGNMENT AND CLOSURE

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES

AND THE

SUBCOMMITTEE ON
READINESS, SUSTAINABILITY AND SUPPORT

OF THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

MARCH 14, 15; APRIL 4, 11, 12, 1989

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BASE REALIGNMENT AND CLOSURE

TUESDAY, MARCH 14, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 9:33 a.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Levin, Dixon, Warner, Thurmond, Wilson, McCain, Gorton, Lott and Coats.

Committee staff members present: Arnold L. Punaro, staff director; Andrew S. Effron, general counsel; Richard D. DeBobes, counsel; Christine C. Dauth, chief clerk.

Professional staff members present: Robert E. Bayer, John J. Hamre, David S. Lyles, and Michael J. McCord.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; George K. Johnson, Jr., and Ronald P. Kelly, professional staff members.

Staff assistant present: Mary J. Kampo.

Committee members, assistants present: Jeffrey B. Subko, assistant to Senator Exon; Charles C. Smith, assistant to Senator Dixon; Donald A. Mitchell, assistant to Senator Glenn; Terrence M. Lynch, assistant to Senator Shelby; Anthony H. Cordesman, assistant to Senator McCain; Robert M. Soofer, assistant to Senator Gorton; Charles Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

This morning the committee begins a series of hearings to examine the work of the Secretary of Defense's Commission on Base Realignment and Closure. Today we welcome back former Secretary of Defense Frank Carlucci, who appointed the Base Closure Commission and endorsed its recommendations. Tomorrow afternoon at 4:30 we will have testimony from the Base Closure Commission, including co-chairmen Abraham Ribicoff and Jack Edwards.

There will probably be further hearings with other witnesses to get into more specifics, but these will probably be handled at the subcommittee level with Senator Dixon and others presiding.

Congress spent a great deal of time last year working with Secretary Carlucci to create a one-time streamlining of the provisions and procedures under which the Department of Defense can close or realign military bases within the Defense Department. Last year's Base Closure and Realignment Act did three things to assist in the closing or realignment of bases that are excess to our current military needs.

First, it established a process for arriving at base closure or realignment decisions by the Secretary of Defense and review by the Congress. This process began, of course, with the work of the Commission on Base Realignment and Closure.

Second, the bill provided for the selective waiver of key laws which have delayed or frustrated previous base closure proposals in the past. For example, the bill modified the applicability of the National Environmental Policy Act and the Federal Property and Administration Services Act regarding environmental impact analysis and the disposal of excess property.

Finally, the bill established a special base closure account in the Department of Defense to finance the up-front cost of closing and realigning military bases and provided the Department of Defense flexible authority to fund these expenses.

The legislation also provided a mechanism by which Congress could reject the recommendations of the Base Closure Commission through a joint resolution. The joint resolution would be considered under expedited procedures if it were introduced before March 15. This resolution has been introduced in the House and will be considered in the House under the expedited procedures provided for in the act. However, it has not so far been introduced in the Senate. Of course the March 15 date is ticking away. We will be reviewing this resolution in light of whatever action the full House takes on this matter.

On December 29, 1988, the Base Realignment and Closure Commission discharged its responsibility by providing the Secretary of Defense and the Congress a report of its findings and recommendations. In addition to a number of recommendations regarding the management and long-term health of our military base infrastructure, the Commission specifically recommended 86 bases or other defense properties for closure, five for partial closure, and 54 for some realignment.

The Commission estimated the recurring savings from these actions' once the cost has been amortized, of $694 million per year—and a 20-year savings estimated at a net present value of $5.6 billion.

On January 5, 1989, Secretary Carlucci approved the Commission's recommendations and sent them to the Congress. Following the Secretary's decision Senator Warner joined me, Congressman Aspin and Congressman Dickinson in asking the General Accounting Office to review the Commission's work. While the GAO's work is preliminary, it has provided the committee an interim assessment which has been made available to each committee member.

Our hearings this week will allow the committee to examine the general thrust of the Commission's work. As we do this, however, I think we need to keep in mind the Commission's observations about the need to create a better process for the evaluation, realignment and closure of military bases in the future, particularly as we begin the process of matching our defense program to realistic fiscal constraints.

Senator Warner, I will call on you and then we will hear from Secretary Carlucci.

Senator **Warner**. Mr. Chairman, we welcome our esteemed friend back before us again. I join with the chairman in paying you a great deal of credit to have the foresight to devise this mechanism by which we must proceed to eliminate those installations which no longer are cost-effective—that is, in my judgment.

Now on my side, as I presume on your side, there are some Members that want to scrutinize what has been done against the background of the legislation. I read through your testimony, Mr. Secretary, and I appreciate the forthright manner in which you answered the questions.

Last year, when you, the chairman, Mr. Aspin, Mr. Dickinson and I began our discussions on how to frame legislation for the Commission on Base Realignment and Closure I must admit that I was very skeptical that politics could be kept out of the Commission's deliberations.

I am pleased to note that the General Accounting Office has completed a preliminary review of the minutes of the Commission's deliberations. In his letter, the Assistant Comptroller General states:

> We have completed a preliminary review of the minutes of the Commission's deliberations. To date we have found no, I repeat, no indications that political considerations were a factor in the Commission's closure and realignment decisions.

Mr. Chairman, I would like to move that a copy of that letter be made a part of the record here today.

Chairman **Nunn**. Without objection it will be made a part of the record.

[The information referred to follows:]

U.S. General Accounting Office,
National Security and International Affairs Division,
Washington, DC, March 13, 1989.

Hon. Sam Nunn,
Chairman, Committee on Armed Services,
U.S. Senate.

Hon. Les Aspin,
Chairman, Committee on Armed Services,
House of Representatives.

Hon. John Warner,
Ranking Minority Member, Committee on Armed Services,
U.S. Senate.

Hon. William Dickinson,
Ranking Minority Member, Committee on Armed Services,
House of Representatives.

It is our understanding that the resolution of disapproval relating to the base closure and realignment report is scheduled for committee mark-up in the House on March 14. In line with our commitment to provide you with information for consideration at critical points in the legislative process, we are providing the following update to my March 1, 1989, testimony before the House Subcommittee on Military Installations and Facilities. The following additional preliminary observations based on our work to date may be appropriate to your deliberations at this time.

In my testimony I noted that we had identified errors in the formulas used in the cost models but that the formula errors may not be of sufficient magnitude to affect the payback period for the bases. It appears that the required model formula adjustments will not push the payback period for the nine bases currently included in our review beyond 6 years. A final conclusion on the correctness of the model, however, requires final validation of the adjustments.

My testimony also highlighted a number of concerns we had with the completeness and accuracy of the data used by the Commission. We are continuing to attempt to resolve concerns which have been raised regarding the data used in the Commission's military value assessments. However, with regard to cost and savings data, it appears that the aggregate additional costs per base associated with the discrepancies identified to date should not cause savings from the nine bases included in our review to vary a great deal from the savings estimated in the Commission's report.

During prior testimonies before the House and the Base Closure Commission in the Spring and Summer of 1988, GAO noted that economic impact is an important factor in any decision to close or realign a base. The cost savings projected to result from the proposed closures do not consider economic impact costs, such as, expenditures for welfare, unemployment compensation, community adjustment assistance, and mortgage assistance. These costs could be significant where large numbers of transfers and personnel reductions occur.

Questions have been raised as to whether inappropriate factors were used in the Commission's decision making process. We have completed a preliminary review of the minutes of the Commissions deliberations. To date, we have found no indications that political considerations were a factor in the Commissions closure and realignment decisions.

I wish to emphasize that the concerns we have are not intended at this point to imply disagreement with the Commission's overall conclusions. We have a lot more work to do and expect to have a final report in response to your requests by the end of the calendar year. We appreciate the opportunity to continue to assist you and trust that the preceding will prove useful in your deliberations.

Sincerely,

FRANK C. CONAHAN,
Assistant Comptroller General.

Chairman NUNN. Senator Dixon has a statement that will be inserted into the record.

[The prepared statement of Senator Dixon follows:]

PREPARED STATEMENT BY SENATOR ALAN J. DIXON

Mr. Chairman, my opposition to the legislation that created the Base Closing Commission, and the Report of the Commission, are well known.

I believe that the process provided for and followed by the Commission was fatally flawed in several respects. I do not believe we had a level playing field, and I do not believe the Commission appointed by Secretary Carlucci had sufficient time or resources to do a credible job.

The Commission had only a little over 2 months to analyze the Defense Department's 3,800 major installations in the United States. By mandating the completion of the Commission's work by the end of 1988, I believe we were asking for, and received, the kind of product we were all trying to avoid. The reality is that the short time left to the Commission after enactment of the enabling legislation led to a rubberstamp of the military services' closure recommendations—rather than an unbiased, independent analysis that we in Congress sought.

Further, the Commission failed to reflect the regional diversity of this country or the interests of State and local government officials who have a vital stake in this matter.

There was a great deal of concern that overseas bases be included in this analysis. I would have preferred that the Commission review both overseas and domestic bases. If communities here at home are going to be asked to undergo significant economic and social upheaval through installation closures and realignments, then I for one, believe those communities have a right to expect that our bases overseas will receive the same scrutiny as those in Illinois, New Jersey, and California.

On November 2, 1988, the Pentagon admitted it did not have "adequate time" to thoroughly review the merits of overseas U.S. bases. Yet, our investment in those overseas facilities represents 25 percent of the military construction budget. When we consider the potential savings that can be found through a careful review of those overseas bases, I think we should insist that we make "adequate time" for such a review.

So, I reiterate my belief: The process followed by the Commission was fatally flawed.

From what I have seen of the data upon which the Commission based its conclusions, I believe the recommendations are likewise fatally flawed. But, I must confess, it has not been easy for me obtaining those documents on which these recommendations supposedly rest.

I have been vigorously trying to gather information used by the Commission to evaluate, and subsequently recommend, bases for realignment or closure. Obviously, for Congress to effectively examine the Commission's findings, we require this information, but I have still not received the kind of information I need to accurately assess the Commission's efforts.

Despite several requests, I have received little information, much of it meaningless or uninterpretable data. Furthermore, pre-decisional information, internal advice, recommendations, and information about bases reviewed, but not closed or realigned, were removed from the only information packet I have received until just recently.

I have been told that several other offices have not received, or have received very little, base closing information that they have requested. I understand that in one office, half the information received was erased or obscured. It is becoming increasingly apparent to me that the Department of Defense and the Commission were not prepared—nor did they seem to intend—to release all the information the Commission used to make recommendations. The extremes to which the Commission and the Defense Department have gone to deny access to information casts suspicion and doubt on this whole process.

Instead of a comprehensive closure and consolidation list, what we got is a glorified land sale for the military services. Instead of major savings of $5 billion over 20 years, the GAO tells us that we get those savings if, and this is a big if, the services cut manning levels. But, my friend, the Defense Department does not intend to reduce these levels!

Mr. Chairman, we are faced with questionable claims of savings, surrounded by circumstances of secrecy, the questionable cooperation of certain military services, and the over zealousness of another. We see a Commission report which is limited in scope and extremely vague. I really believe that with what little information I have seen, it is important for us to review each military base. Where we find errors made by the Commission, that base should not be closed, pending a correction of the record and a realistic and fair appraisal of the base, as well as an onsite inspection of the base. All we have presently is a lot of stalling, a lot of maneuvering, a lot of bad information or misinformation, and a lot of disagreement over savings and benefits from these proposed base closings. Worst of all, there's not a single overseas base—not one—being recommended for closing when former Secretary Carlucci's own study says 22 could be closed.

We seek fairness, Mr. Chairman. Fairness based on facts, fairness based on the closing of bases overseas as well as at home—that's what I hope we achieve from these hearings.

Thank you, Mr. Chairman.

Senator **WARNER**. Mr. Chairman, I understand we open our hearings against the background of a military installation subcommittee action in the House in which that resolution was reported out disapproved. Is that your understanding?

Chairman **NUNN**. I think the resolution of disapproval has been disapproved, yes, by the committee. That is what I understand.

Senator **WARNER**. And it remains to be seen what the House will do. I will take into consideration the concerns of our colleagues, but I am still optimistic that the Senate will act in an affirmative way on this legislation.

Chairman **NUNN**. Thank you, Senator Warner.

Secretary Carlucci, we are glad to have you back, and we will proceed with your testimony and then I know we will have questions.

STATEMENT OF HON. FRANK C. CARLUCCI, FORMER SECRETARY OF DEFENSE

Mr. **CARLUCCI**. Thank you, Mr. Chairman. It is a pleasure to be back before this committee to discuss the important issue of base closures.

A year ago, as you pointed out, we began working together on this process, and I quite frankly am delighted at the result. The Commission, so ably led by Abe Ribicoff and Jack Edwards, did a first-rate job, and I commend the Commissioners and the Commission staff for their dedication to this complex task and for the thoroughness of their work.

I also commend the Congress for passing the Base Closures Act, and I know that you, Mr. Chairman, Senator Warner, and members of this committee were instrumental in getting the Congress to act on that legislation. By implementing the Commission's recommendations we have before us a unique opportunity to make significant improvements to the Department's base structure.

In your letter requesting that I appear you asked a number of questions, and let me try to answer them in order. The Commission's focus: I did not include overseas bases in the Commission's charter because the political issues surrounding overseas bases are completely different. The Secretary of Defense already has the authority to close overseas bases which in practice he does not have for domestic bases.

In addition one of the major difficulties that we face today with overseas bases is keeping these assets open, not closing them. And the exercise that we have gone through with the 401st Tactical Air Wing is a case in point. I did task the Assistant Secretary of Defense for ISA to conduct a study of overseas military installations, and to transmit a copy of that study to the Commission for use in their deliberations.

The study found that our present overseas base structure is required to support U.S. forces abroad and current operational plans. Furthermore, the study points out that mechanisms exist in the regional unified commands to review regularly the efficiency and effectiveness of the base structure. These reviews have resulted in numerous base realignments and closures without the same difficulties that we have experienced in attempting to close domestic bases.

I also excluded government-owned/contractor-operated industrial plants from the Commission's review, so-called GOCO's, because these stand-alone plants in the past have not been considered military installations and the Department has been able to close them when necessary.

I understand that there has been some confusion as to whether this decision applies to all contractors on installations which use Government facilities, and in particular to one GOCO in Lexington. Let me clarify that I surely did not intend for these type of activities to be excluded from the Commission's focus. In other words, if they were going to close a base or recommend that a base be closed and there was a GOCO on it, it was certainly within their charter to make such a recommendation.

You asked for my evaluation of the Commission's work. I think they did a tremendous job. I am pleased with their report and their decision to place the military value of the bases above all other criteria. This was really their choice and they made the right call.

We have to be realistic with regard to annual savings. The Commission's study is the most exhaustive and authoritative study ever made. You will remember that forces were not cut in this exercise.

Therefore, the Commission had to move all units to other locations, except for minor actions already in the pipeline. And that costs money. Prior estimates of closure savings were based on little or no factual information in contrast to the Commission's careful case-by-case analysis.

Some have questioned the origin and the validity of the 6-year payback criteria.

Chairman NUNN. Mr. Secretary, could you move that mike up just a little bit closer?

Mr. CARLUCCI. I was referring to the 6-year payback criteria that has been the subject of some question. This was arrived at after discussions with the Congress and the Congress made it clear that they saw as one of the goals saving money. I do not think this put an undue restriction on the Commission's work, although obviously you could have had greater savings had the payback period been longer.

On the other hand, investments that pay somebody back in 20 years are not good investments, not if saving money is the point. So the line had to be drawn somewhere. I would also point out that the payback period starts with the completion of the closure, not at the beginning.

Finally, let me clarify one point. The Commission did have available to it information used to compile the latest 5-year Defense plan, the one completed last summer, which is also the one used as the basis for the 1990 and 1991 budget. I agree with the Commission's decision to take the forces in that plan as a given. It would have been inappropriate for them to have made recommendations for change in force structure.

You have asked my views on legislative streamlining. I am happy you did so because it gives me an opportunity to make a pitch for streamlining in general, not just for base closures. Congress, by passing so much legislation and micromanagement rules that attempt to solve every conceivable problem or crisis, has seriously compromised the ability of anyone to run the Defense Department, and I know this is a concern that is shared generally by this committee.

These laws have watered down authority and responsibility to such a degree that we have difficulty even operating bases. We cannot even build a $1 million warehouse without an act of Congress. I do not mean to lecture here, but your question did touch a sensitive nerve.

In the case of base closures, Congress did agree in the legislation to the one-time waiver; however, when we are finished with the report of this Commission we revert to the old legislation and once again it will become impossible to close military bases.

On January 5, 1989, I approved as Secretary of Defense all of the Commission's recommendations for base closures and realignments pursuant to Title II of Public Law 100–526. This approval also encompassed all of the receiving bases designated by the Commission. I did so after careful reading of the report and after discussion with the Secretaries of the military departments and with the Chairman of the Joint Chiefs of Staff.

The Chairman strongly recommended that I approve the Commission's recommendations. He stated it was the view of the Joint

Chiefs as a body that this action would not adversely affect military operations or the ability to carry out the national military strategy. The service Secretaries also unanimously recommended that I accept the Commission's recommendations.

The Department's fiscal years 1990 and 1991 budget which I forwarded to President Reagan includes a request for $500 million in both fiscal years 1990 and 1991 to fund the base closures account so the Department can get started and keep these realignments and closures on schedule.

But, mind you, this is the minimum required. We also estimated that savings would begin in fiscal year 1992. While the savings anticipated by the Commission are significant, they may not accrue to the Department exactly as we have anticipated in this year's 5-year defense plan.

While I can no longer speak for the administration, I would like to mention some of the existing programs that are available to help the communities and the employees. The Department's Office of Economic Adjustment works hand in hand with local communities to adapt former military bases for civilian uses and to alleviate economic hardship by developing strategies for business recovery.

The Homeowners Assistance Program provides for financial assistance to military and civilian DOD personnel who are forced to sell their homes in a real estate market affected by the closure of the military installation. Also, the Department's Priority Placement Program exists to help civilian DOD employees displaced by a closure find suitable employment. It is the best program of its kind in government.

You asked for my views on how to deal with the potential competing interests of the communities and DOD regarding the disposition of property. The best way to do it is to let the military services, with the assistance of the Office of Economic Adjustment, work with the State and local community to figure out what is best for that community.

There is so much special legislation favoring activities like the homeless, drug treatment centers, prisons, and other public functions that I do not know how it will turn out. Communities could fare poorly, but so could the Department, which expects and needs some proceeds from the sale of land to make this whole process work.

Finally, you asked my thoughts on the Commission's observations. The Commission strongly recommended that the Department increase its training areas significantly so units can train as they will fight. I could not agree more. As weapons systems get more range, speed and lethality, they are rapidly outstripping the capacity of our existing training ranges. This is a serious problem which will require bold action to correct.

In conclusion, Mr. Chairman, I know this is a vexing subject for the Congress. However, today's fiscal realities, which you pointed out, demand that we stop spending money on bases we do not need. Now more than ever we must husband our increasingly scarce resources and protect the gains made in our defense capability over recent years.

Making sure that the Department's base structure matches its force structure is one way to help. The challenge before us is to keep America strong, even as we restrain military expenditures. Some people have been saying that Congress ought to delay the decision on this package and wait 6 to 9 months for the GAO to report.

Some have been saying the Commission made a mistake in this or that instance and, therefore, the Congress ought to reject the entire package. Some have been saying the Congress should not give the Department $1 billion and trust it to spend it wisely.

I say stick to the path Congress and the Department agreed to last year. It is a good path and it will serve us well. Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Mr. Secretary.

Senator Dixon, I know you have a time problem. Are you going to be all right in your normal rotation? I think you will be the third one up, or I will yield to you now.

Senator DIXON. That will be fine, Mr. Chairman.

Chairman NUNN. Mr. Secretary, thank you for being here today. We appreciate all your hard work on this and so many other things while you have been in our Department of Defense. I am going to ask the clerk to keep up with the time and we will rotate around. I know everyone has questions and we will move around.

Several years ago the Grace Commission suggested that we could save about $2 billion per year by closing unneeded military bases. My question is do you think that this Commission and the work flowing from it have taken maximum advantage of this one-time legislative opportunity since the savings are considerably less than the Grace Commission at least anticipated?

Mr. CARLUCCI. Well, to the best of my recollection, Mr. Chairman, the Grace Commission did not do any kind of exhaustive analysis in coming up with that figure. The Ribicoff and Edwards Commission went into far more detail than the Grace Commission. The $2 billion was a ballpark figure.

As I indicated in my statement, I think the Commission did a first-rate job. Now you can argue that had the payback period been 8 years you could have gotten some additional savings. My own judgment, after a hearing in the House and after negotiating with various members, was that 6 years was a reasonable payback period and one that was generally politically acceptable.

So within those parameters and within their overriding criteria, which I thoroughly agree with, of military value I think the Commission produced the maximum savings that it was possible to produce.

Chairman NUNN. Mr. Secretary, you received the Commission recommendations and then you forwarded them with your approval I believe about a week later. What analysis did your own staff perform to determine the validity of the Commission's recommendations? In other words, what procedure did you go through after you had received those recommendations?

Mr. CARLUCCI. I immediately asked the services for their assessment of how the Commission's recommendations would impact their missions. I also tasked the Joint Chiefs to do an analysis. Finally, my own staff had been accompanying the Commission and was familiar with the Commission's deliberations and with the general direction in which they were going.

The services in addition had testified before the Commission, had responded to the Commission's requests, so they were in a position to give their recommendations a quick turnaround. I received signed memos from each of the service Secretaries and from the Chairman saying that they had analyzed the Commission's recommendations and agreed with them.

My own staff indicated to me that on the basis of their analysis they felt that there would be no impairment of the military mission. Accordingly, I endorsed the Commission's recommendations.

Chairman NUNN. I know you have been away from this matter since about the middle of January. I think January 20 is when you left the Department of Defense. But in your review did you come up with any awareness or realization or conclusion that there is any part of this Commission recommendation which is not justified?

Mr. CARLUCCI. I did not. The military services did not indicate to me that they had difficulty with any of the recommendations. I have subsequently heard from one Pentagon official commenting on a problem with hospitals. That did not surface during these deliberations, and I know of no difficulty with the Commission's recommendations.

Chairman NUNN. Mr. Secretary, the Defense Department's 1990–1991 budget request which you developed asks for $500 million for the base closure account both in fiscal year 1990 and fiscal year 1991. Could you tell us what this money will be used for and also the effect if this money is reduced or if it is not funded?

Mr. CARLUCCI. This money will be used for relocation costs and for funding facilities at the receiving location. Quite candidly, this figure was my own personal estimate. The services did not have money for this purpose. I insisted that it be put in. It was not on the basis of any scientific analysis because at the time I was not privy to the Commission's recommendations.

I was making my own estimate of where the Commission might come out because the budget cycle was ahead of the Commission's deliberations. As it turns out, we were not far off. We have now done a preliminary analysis of the costs, and I would be glad to submit that for the record, indicating that in fiscal year 1990 the costs will be about $731 million, and in fiscal year 1991 the costs will be $659 million.

That is, of course, more than the $1 billion that we have requested in the budget, but we would hope to make up the difference by using the transfer authority which is also one of the Commission's recommendations.

Chairman NUNN. Thank you, Mr. Secretary.

Senator Warner, my time has expired.

Senator WARNER. Mr. Chairman, I would like to pose my question after referring to two documents here. The first is Secretary Carlucci's testimony on page 5, bottom paragraph:

> "The Chairman"—that is, the Chairman of the JCS—"strongly recommended that I approve the Commission's recommendations. He stated it was the view of the JCS as a body that 'this action would not adversely affect military operations or the ability to carry out the national military strategy.' "

Then I turn to page 3 of the General Accounting Office testimony provided by Frank Conahan et al. He says, at the top of the page:

> Savings highly dependent on personnel actions. The Commission estimated that its base realignment and closure recommendations, when implemented, should lead to an annual savings of $694 million. It is important to recognize that much of these estimated savings result from large reductions in military and civilian personnel at closing bases.
>
> For example, the Commission estimates that closing the five Air Force bases included in our sample would result in annual savings of approximately $381 million. About $320 million (84 percent) of those savings result from reductions of about 9,600 personnel. Overall it is estimated that the Commission's recommendations would result in eliminating 7,748 civilian and 12,889 military positions.

My first question is do you know whether or not the Chairman of the JCS, in making his statement which you referred to on page 5, had in mind these collateral consequences?

Mr. CARLUCCI. I am certain that the Joint Chiefs who reviewed this collectively took into account personnel savings as well as savings achieved through selling facilities and other kinds of savings in such things as support functions—security guards, building maintenance and that kind of thing.

Senator WARNER. Are these force structure cuts in the FYDP?

Mr. CARLUCCI. They would not be in the FYDP. The Commission took the force structure in the FYDP as a given and maintained that force structure. I guess the answer is——

Senator WARNER. I guess where I am coming from, it is clear that the GAO thinks the savings are predicated on substantial end cuts, force level cuts, and yet I cannot find the correlation where that planning is in motion either in the FYDP or the forthcoming presentation from the future Secretary of Defense.

Mr. CARLUCCI. What happens here is when you get some personnel savings, you can put them to higher priority needs within the existing force structure. So force structure, particularly the savings that are relatively small, need not change as a result of these savings. So you do not see the immediate impact on force structure of these particular savings.

Furthermore, a lot of them, as I pointed out, are maintenance function civilian personnel not directly related to military force structure.

Senator WARNER. Mr. Secretary, you have 12,889 military positions as forecast by the GAO. Now you are talking about something other than maintenance and people of that nature. In the first place, that is obviously in the 7,748 civilians. I just want to make sure you and I are joined here.

The question is, do you think the GAO is incorrect?

Mr. CARLUCCI. I think you have to make a distinction, Senator Warner, between force structure and end strength. When you are talking about force structure, you are talking about the number of tanks, airplanes and ships.

Senator WARNER. Correct.

Mr. CARLUCCI. When you are talking about end strength you are talking about number of people. So when we change end strength it does not necessarily mean the force structure has to change.

Senator **Warner**. You are correct. Let me go back and rephrase it then. It should be an end strength. I put my question on end strength.

Mr. **Carlucci**. That is right.

Senator **Warner**. Do you think that there will be a reduction in end strength as a consequence?

Mr. **Carlucci**. I think that there will be a reduction in end strength, but here you have to take into account that there are other high priority needs. Should that end strength result in a reduction of total end strength or should it be allocated to other high priority needs within existing end strength. That is the choice that has to be made in the 1990–91 budget.

Senator **Warner**. But you will not recoup the dollars associated with. In other words, as I read the GAO report, you are going to take 12,889 military people out to get the $694 million projected savings.

Mr. **Carlucci**. You do recoup the dollars, Senator Warner, in the base closure area, but you may choose to spend those dollars elsewhere in some other high priority area, say manning ships.

Senator **Warner**. In other words maintaining the end strength?

Mr. **Carlucci**. You may choose to do that. You do not have to do it. It is an option.

Senator **Warner**. So what you are saying, the GAO could well be correct, but you may just shift your priorities, continue with your end strength, and then make up that portion of the $694 million elsewhere?

Mr. **Carlucci**. That is correct.

Senator **Warner**. Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Warner.

I believe Senator Dixon is next under the early bird rule.

Senator **Dixon**. Mr. Chairman, my distinguished colleague from Nebraska has asked if I would yield to him briefly because he has to go somewhere else. If I could do that and then proceed.

Senator **Exon**. I thank my colleague from Illinois.

Mr. Secretary, welcome. Thank you for being here this morning. I believe I was with you when you first unveiled this to some of us in Congress several months ago. Congratulations. You have done an outstanding job.

My brief question just has to do with where do we go from here. If you were Secretary of Defense and were going to be Secretary of Defense for the next 4 or 8 years, would you think that we should repeat this process the next year or the year after that? This is only the first blush, is it not, in what we should do to streamline our overall military posture and put the money where it will do us the most good?

Mr. **Carlucci**. Thank you, Senator Exon. I think if I were going to be Secretary of Defense I would ask you to revisit the whole issue.

But the Commission itself laid out a number of suggestions for the future. They emphasized that base closures is fundamentally a national security issue and should be the responsibility of the Secretary of Defense. They recommended that he have an advisory commission, and I think that is wise. For example, I think it was very useful to have somebody like Russell Train, the environmental expert, on this Commission because it is an outside perspective that broadens your vision.

But authority ought to be put back in the hands of the Secretary of Defense. The Congress has legislative oversight. The Congress controls the appropriations process. If a year or two from now a future Secretary of Defense decides that he wants to close base X, I think he should have the authority to do that and I think the Congress ought to act expeditiously if it is going to review that authority, not seek to erect a whole series of obstacles in his path, as the Congress has done in the past.

In other words, the process needs to be simplified.

Senator EXON. Thank you very much, Mr. Secretary. You said it well. Thank you again for your great service to the Nation in your position.

I thank my friend from Illinois and yield back to him.

Senator DIXON. Mr. Secretary, frankly I regret to say that there is not a sufficient timeframe to develop much of anything in the course of these proceedings. But I would like to ask you several questions concerning how these decisions were arrived at.

The first is this. I show you the transcripts from the base closing Commission marked Secret, on the closing of Forts Sheridan and Chanute. Mr. Secretary, I have read this. There is nothing secret in here except the names of the individuals on the staff and the Commission that have been censored out of this by black ink so that we cannot know who is responsible for coming to these decisions.

I ask you how in a democratic society like the United States of America we can do this.

Mr. CARLUCCI. I am informed, Senator Dixon, that the transcript is being reviewed now for declassification.

Senator DIXON. Well, let me ask you, Mr. Secretary, when those of us who care a great deal and who are up against an April 15 deadline may acquire that? I have said to the chairman, I have said to the ranking member, I have said to everyone in the Department of Defense that I wanted the information on the staff people who did the work, and I wanted the 45 boxes of work product.

I have been saying that, Mr. Secretary. I am not arguing with you.

Mr. CARLUCCI. I am not there any more, Senator.

Senator DIXON. I know that. I have been asking that, Mr. Secretary, since the report came out and as I sit here today I have nothing and I have been given secret documentation that is an insult to the American taxpayer. There is nothing in here that is secret. It is ridiculous. It is absurd.

I want to ask when I will get an opportunity to get the names of the individuals who did this and the truth?

Mr. CARLUCCI. Well, I am not in charge of the administration of the Department of Defense at the present time, Senator Dixon, so I cannot answer that question. But I do find myself wondering, in all candor, why the names of the individuals are so essential. It is the points they were making that ought to be taken into account, the judgments that go into the process that I would think would be of interest to you.

Senator DIXON. Could I interrupt you? Put the chart up, Laura. I want to show the members on this committee, the findings on Air

Force training bases by virtue of which Chanute was closed. They looked at Lowry, Goodfellow, Keesler, Lackland and Chanute and they used a point system. The point system, Mr. Secretary, is flawed. We have analyzed it. On the basis of correcting bachelor housing alone Chanute would gain 43 points and if the entire process is corrected, Chanute would be tied with Lowry in first place.

As a matter of fact, when you read this secret report they spent more time talking about closing Lowry, which ended up first, than anybody.

The point is this. I have two men from the Attorney General's Office in the back of this room—these are the two assistant attorney generals from Illinois. We are going to file a law suit about this and we would like to know what the record shows, Mr. Secretary. How did they find these numbers?

How did Chanute come in last in a flawed point system? I cannot question anybody. You understand I know you do not know that, and I say that with due respect to you, sir.

Mr. CARLUCCI. Under the process that was set up, Senator Dixon, I could not know that. Indeed, the Congress was very insistent that this Commission be independent of the authority of the Secretary of Defense, so I was not part of this process.

I picked the most able people I could find, and I think there is general agreement that they are able and honorable people.

Senator DIXON. I have no doubt that that is true. If I can only find out who they are.

Mr. CARLUCCI. Well, they will be before you tomorrow, I understand.

Senator DIXON. Will they have a basket over their head or a brown sack, or will there actually be people like you I can see and question?

Mr. CARLUCCI. I think Senator Ribicoff and Congressman Edwards, if I am not mistaken, Mr. Chairman, will be up here testifying.

Senator DIXON. I know, Mr. Secretary. I know them; they are honorable men. They do not know anything about this. There are a bunch of people whose names I do not know joking about what they would bid on land and stuff—I could read from the secret transcripts, but I guess I would go to jail if I do that.

And there are 20,000 people at Rantoul, 6,000 of which work at Chanute, and the rest that live off it, that are all going to go on relief when this becomes effective April 25, Mr. Secretary, and I cannot ask anybody any questions.

Mr. CARLUCCI. Well, I think you can certainly. Just like nobody seeks to learn who in a Senator's office, which staff members, have developed a position, the Senator speaks for that office; similarly Senator Ribicoff and Congressman Edwards will speak for the Commission.

I would be very disappointed, quite frankly, Senator Dixon, if this were some kind of an exercise in trying to determine what staff member made what recommendation.

Senator DIXON. Well, Mr. Secretary, how can I determine how a point system—my time has expired, and the people in my State, the 11.5 million, have no answers yet. Mr. Secretary, how can I get a result that is not secret and the names, of individuals who did this, who arrived at a flawed point system.

The General Accounting Office says it does not make sense. It is replete with all kinds of errors. I have respect for you, sir, and for Senator Ribicoff and for Congressman Edwards and probably for the people on the staff. If I can get to the truth.

Now what I said on the floor of the U.S. Senate last year I will say repeatedly again this year. This is obfuscated in such a way that the American people do not know how it happened. They know what I do when I am wrong and they vote against me. I have to account for what I do.

There is no accounting for this, Mr. Secretary.

Mr. CARLUCCI. I quite agree that to some extent we have diluted the accounting mechanisms of Government by appointing a Commission, but given what the Congress has done there was really no other way to do it, Senator Dixon. Accordingly, we structured the Commission with two highly responsible people in charge.

Senator DIXON. I understand that. But what about the 45 boxes of work material? I am a lawyer by trade. I want to look in those boxes and see what you did and what they wrote down on little pieces of paper. I want to know the names of the people who applied the point system that made my base come in fifth but by our point system comes in first.

I want to know how that could be done. I want the courts to decide what was fair.

Mr. CARLUCCI. Senator, I think Senator Ribicoff and Mr. Edwards will be prepared to answer questions on this system and I am sure that they would be prepared to have the staff sit down with your staff and go over it.

Senator DIXON. You think they will do that?

Mr. CARLUCCI. I am disappointed if you think that you are going to achieve something by asking for names, addresses and telephone numbers of staff people because that sounds like there is some kind of punitive exercise under way here, and I hope that is not the case.

Senator DIXON. There is no punitive exercise. All I want to do is find out how they applied the point system.

Mr. CARLUCCI. If it is a question of getting information, that information could be made available. It certainly is being made available to the GAO, if I understand what has happened since I left office.

Senator DIXON. Do you know that nobody came out to Chanute? Do you understand that? Not Mr. Ribicoff, not Mr. Edwards, not you, sir, not any faceless staff person—not one person, not one, came to Chanute and walked onto that base. Do you realize that?

Mr. CARLUCCI. It probably would have been physically impossible for them to visit every base. But once again I cannot speak for every action of the Commission. The Commission, by act of Congress, was given an independent charter. I did not try to influence their deliberations and Senator Warner indicated that the GAO said there had been no political influence.

Had I tried to influence their deliberations, the charge would be made that it was subject to political influence.

Chairman NUNN. Senator Dixon, your time has expired.

Senator Thurmond.

Senator DIXON. Thank you, Mr. Chairman.

Senator THURMOND. Thank you, Mr. Chairman.

Secretary Carlucci, I have laryngitis and I hope you can hear me.

Mr. Chairman, I would like to welcome Secretary Carlucci here. He has served our Nation with distinction in a variety of posts, and I am pleased that he has taken the time from his busy schedule to join us here today.

I would like to commend you, Mr. Chairman, and you, Senator Warner, for the outstanding work you have done related to base closures. After we have reviewed the Commission's work I hope that we can proceed with the necessary closures in a timely fashion.

I am no stranger to base closures. Donaldson Air Force Base was closed in South Carolina in the mid-1960s, and while it caused some temporary economic dislocation it is now a thriving industrial park which employs 10 times more people than were employed at the base when it was an air base. Of course, this would not be true at all bases.

Mr. Chairman, I hope that the Department of Defense and the Congress will do everything possible to smooth these transitions that will take place if Congress does not pass the resolution of disapproval, and I predict they will not.

Furthermore, I would like to commend Senator Ribicoff and Representative Edwards and the members of the Commission for the good job they did. As a whole, I think they did a very fine and outstanding job. I think it will be in the interest of our country and in the interest of our economy and in the interest of defense in the end that the report be approved.

Mr. Secretary, I just have two very brief questions. In your opinion, could more bases have been closed if the timeframe for achieving savings was 10 years instead of 6 years?

Mr. CARLUCCI. Yes, sir. I think more could have been closed with a 10-year timeframe. It was essentially a judgment call to make it a 6-year timeframe. It is done. The legislation is passed. I suggest we go forward and put the authority back in the hands of the Secretary of Defense if he would like to close more bases.

Senator THURMOND. Would it be your suggestion that steps be taken before the 6 years to maybe begin closing other bases, or do you think we ought to wait 6 years before any further action is taken?

Mr. CARLUCCI. I would certainly not reopen the deliberations of this Commission, Senator Thurmond. The Commission was structured, basically at the insistence of the Congress, on an all-or-nothing basis.

I think it is important to go forward. This does not mean that there will not be some injustices done. In any mechanism like this there are bound to be some small errors and some injustices. But the overall needs of the Nation I think will outweigh those inequities.

Rather than look at payback periods, I would ask the Secretary of Defense to conduct ongoing studies. I would ask this committee to supervise the Secretary's ongoing studies and encourage him to close bases whenever he thinks that their military value has deteriorated to the point where there can be savings without harm to our military establishments.

If the committee wishes, in terms of report language, to suggest a 10-year payback period as preferable to a 6-year payback period, I do not think the Secretary of Defense would have a lot of trouble with that.

Senator **THURMOND**. Mr. Secretary, should the Department of Defense undertake force structure cuts in the next few years, would you envision the need to close more bases?

Mr. **CARLUCCI**. Probably, Senator Thurmond, since the force structure, particularly in the Army, would entail taking down some units, and that would probably require closing of bases. Yes, if there are force structure cuts, I would anticipate that you would have the opportunity to close some more bases.

Senator **THURMOND**. Again, Mr. Secretary, I want to commend you for your outstanding service to this Nation in many capacities, especially as Secretary of Defense.

Mr. **CARLUCCI**. Thank you, Senator Thurmond.

Senator **THURMOND**. Thank you, Mr. Chairman.

Chairman **NUNN**. Thank you, Senator Thurmond. Senator McCain.

Senator **MCCAIN**. Thank you, Mr. Chairman.

Mr. Secretary, I lack both the passion of my friend from Illinois and the posse that he has brought with him. [Laughter.]

I share his views. Like my friend from Illinois, and several others, I supported this Commission in concept; but I did not appreciate the fact, however, that it could somehow turn into a star chamber procedure rather than work as an open and public commission. I recognize that the Commission was highly independent, Mr. Secretary, but there has got to be a rationale and a reason for its decisions. A line of reasoning has to be presented to the American people, the affected communities, and their elected representatives.

Frankly, Mr. Secretary, so far I have not been able to obtain anything like the documentation from the Commission that would provide us with the information that I think people deserve. It has become a question of fairness. When people are affected by an action of their government—whether it be in the form of a base closing, a program reduction, or anything else—they have the right to know what procedures and rationale were used in arriving at that determination.

Mr. Secretary, I understand there were time constraints involved here, and that things had to be achieved by a certain date. I understand that there could not be visits to all of the bases that were under consideration. I understand that things had to be done in a hurried fashion, to say the least. Informal conversations I have had with people who were at the Commission's sessions indicate that things would be flashed on the screen for discussion and that the material for the next decision would be flashed on the screen before decisions were made on the last. Some of that is understandable, given the time constraints under which they were operating, and clearly previous studies had been made as regards many of these bases.

But up to this point—and it is my understanding we are going to have a hearing tomorrow afternoon with the Commissioners—I have been unable to obtain answers to basic questions as to what went into this decisionmaking process. I believe that I have an obligation to the people that I represent to at least provide them with the information that is necessary for them to understand the decisions that have been taken, further if that information is flawed then I have an obligation to go back and review it, and seek suitable changes.

Am I saying the whole report should be dismissed and that we cannot then get a single base closed? I do not think so. I am sure that many of the decisions that were made by the Commission were valid. But we must have proper recordkeeping. We cannot rely on a cost analysis job which some people tell me was done on an 11-year cost analysis basis rather than 6. We cannot accept a situation where no person we have been able to identify in the U.S. Army can tell us who did the cost analysis. We cannot accept a situation where we cannot find proper criteria for how the savings were measured, any real explanation of when manpower cuts are assumed, and any estimate of the community impact costs, environmental savings, et cetera.

I am sure I am beating up on the wrong person here Mr. Secretary; and I guess I will have to repeat this tomorrow. Nevertheless the reason why my friend from Illinois and I and others are upset is that the Commission's work is clouded in a cloak of secrecy which frankly is in direct contradiction to the procedure which I believed that this Commission would use.

I also find it interesting that the preliminary GAO report says that they identified errors in the data and formula used in the cost models but that the errors may not be of sufficient magnitude to affect the payback period for the bases. Maybe not. Maybe so. The cost savings projected to result from the proposed closures do not consider economic impact costs such as expenditures for welfare, unemployment compensation, community adjustment assistance and mortgage assistance, et cetera.

Mr. Secretary, we are dealing with people here. We are dealing with people in communities. We are not dealing with demolition of a building or bulldozing some facility or hangar or something. We are talking about people that we are moving from one part of the country to the other. It is a very painful experience for these people, who have grown up and are raising their children in these communities.

I at least owe them the absolute minimum of providing them with the rationale and the information that is used, and I think frankly the overwhelmingly majority of these people that are going to be subjected to this hardship would understand it and accept it—many would not—if we could show them the case that is made for this decision.

I would appreciate it, Mr. Secretary—and I share the view of all of my colleagues about the outstanding job that you have done—if you would help us in providing this information to the people that we are elected to represent.

Thank you, Mr. Chairman. Could I have time for a response from Secretary Carlucci?

Chairman **Nunn**. Yes.

Mr. **Carlucci**. Certainly I would agree, Senator McCain, that the rationale ought to be set forth, but at the same time I would argue very strongly that just as you protect your staff, the staff of the Commission should be protected from any kind of political abuse in this process. They made honest decisions. They gave honest advice.

So what you need to look at is the analysis, not the people. And the analysis ought to be made available either through the GAO or directly. I think we are getting into a situation where you may well have individual Senators duplicating what the GAO is doing, and that sometimes gets confusing.

You mentioned such costs as welfare, food stamps. They are costs to the individual. I think the point the Commission was trying to make is that in the overall calculation of cost effectiveness and military value these are marginal, while they are important to the individual, in the overall calculation they are marginal. Your large cost is in the construction of new facilities, moving costs, the personnel savings—those kinds of things.

I would be glad to do whatever I can to see that the information becomes available, but, as you know, my influence these day is limited.

Senator **McCain**. I would just like to say, Mr. Chairman, speaking for myself and my friend from Illinois, we have no desire, obviously, to seek personal retribution against anyone.

Senator **Dixon**. Absolutely not. We just want to know the facts.

Senator **McCain**. At the same time, we feel that if that process was flawed, we should find some vehicle to correct any wrong decision that was made.

Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator McCain.

Senator Gorton.

Senator **Gorton**. I need to start with a perhaps only slightly facetious remark to my friend from Illinois that a long time ago, at the age of 18 in the year 1946, I was sent on a long journey from my home in Evanston, IL, to Fort Sheridan to clean latrines and wait for an assignment to basic training and later that summer came back to Chanute Air Force Base, then the Army air base, to be taught to be a weather observer, and I was firmly in favor of the total closure of both of them. [Laughter.]

Senator **Dixon**. I can relate to that.

Senator **Gorton**. Without making any comments on the validity of this report here.

I simply would like to go back to some of the comments the chairman made and thank you, Secretary Carlucci, both for your support last year when I was not here of the concept and the methods by which that concept was implemented in solving a problem which has been an increasing problem for the Department of Defense, and which Congress quite obviously could not solve on its own, by making the kind of value judgments which have been debated here this morning.

Obviously from a purely parochial point of view I have a much milder response than either Senators Dixon or McCain. In a very narrow sense my State is a net gainer. I lose the convenience of using the exchange and the commissary at Sand Point. Everett is further away from my home. But the decision there at least is an overwhelmingly logical one from the point of view of the way in which military installations ought to be run.

Beyond that I am not enough of an expert to critique one way or another individual choices of the Commission. You have quite rightly pointed out that it would have been entirely wrong for you to have participated in this initial decisionmaking process or even the setting of the rules by which those decisions were made.

You have a yes or no answer to exercise with respect to the entire report. In my opinion you made the correct answer, and I hope that you are upheld by Congress.

That is not to criticize either of these other Senators for wanting to be able to assure themselves in the best possible fashion that these decisions were made in an objective fashion, and obviously it is other witnesses who will be in a position to satisfy them and not you.

But if I can take this opportunity, since we did not overlap in the position which you recently held, to congratulate you not only on this but on what I considered to be a magnificent management of the Department of Defense and the very difficult decisions in the highest tradition of Government service.

I would like the record to show that this Senator at least greatly appreciated the services which you have rendered to your country as Secretary of Defense.

Mr. CARLUCCI. Thank you, Senator Gorton. It is a pleasure to see you back in the Senate.

Chairman NUNN. Senator Dixon, I think we are back to you.

Senator DIXON. Could I get a couple of things on the record, Mr. Secretary. May I ask you this? In your opinion, if a base was recommended for closure based on inaccurate information, do you believe that that base ought to be closed?

Mr. CARLUCCI. Well, are you talking about generally or under the existing statutes, Senator Dixon?

Senator DIXON. Under the existing imperatives of the legislation passed.

Mr. CARLUCCI. Then you have to describe the tradeoffs. You cannot just look at it in terms of one base. You have to say is it worth keeping all the other bases open so that this mistake can be corrected. And given that value judgment that was imposed on the administration by the Congress in most cases the answer would be no, unless there is some absolutely compelling requirements.

To keep 86 bases open to correct an error in calculation or even in judgment on one particular base is a very heavy price to pay. On the other hand, if we are willing to give the authority back to the Secretary of Defense, then clearly if he makes a mistake a base should not be closed.

Senator DIXON. Well, let us take the situation that I cited. You are familiar with this, and I have no case to make against any base on here—you understand that. But they used a point system for Lowrey, Goodfellow, Keesler, Lackland and Chanute.

Now all of this was very close I might say. Chanute was rated last with 275, Lackland second-last with 300, and then Keesler with 325, Goodfellow and Lowrey with 350. And the fact is that our evaluation shows that by any fair criteria or application of the standards employed, as well as we can reverse engineer this—OK, they have told us nothing there, you understand; we have to take everything that we find by looking at what we can find to reverse engineer what happened and figure out how they did it—but if we have it correct, by the point system they used Chanute does not come in last.

Mr. CARLUCCI. I cannot comment on that. I did not go through that point system.

Senator DIXON. But I give you the hypothetical of assuming the correctness of what I say. If in fact they were going to close one and Chanute was not last, then I ask you under the imperatives of the legislation passed and the directions to the staff and what they formulated for their system whether that is an appropriate result.

Mr. CARLUCCI. Accepting your hypothetical, which I am not in a position to accept or reject, I would like to correct the error, but, given the terms of the statute the price of correcting the error, in terms of savings, overall savings, to the taxpayer is very high. And while I would have to know more about the particular circumstances at Chanute in most cases I would have to come down on the side of saying go ahead and close the base.

Let me give you a specific example that came to me just before I made my decision. The Commission recommended that ships being homeported I guess in San Francisco be homeported in Hawaii. I thought to myself, well, getting a commission into the business of moving ships around is in principle at least undesirable. That should be the authority of the Secretary of Defense upon advice of the Joint Chiefs and the Secretary of the Navy.

On the other hand, I concluded that the value of accepting the Commission's recommendation as a whole in achieving these savings and these realignments in terms of military utility outweighed my concern about who moved ships around, so I accepted that particular deliberation of the Commission.

So the way this is structured it is a question of choices.

Senator DIXON. May I pursue? I understand the time limits, Mr. Chairman, and I have to leave very briefly and I see my distinguished friend from Mississippi, if he would not be too offended——

Senator LOTT. Please proceed.

Senator DIXON. Let us just say this, Mr. Secretary. Listen to this, if you would be so kind, and again I understand and you know my high regard for you personally. This is not criticism of you as an individual.

The General Accounting Office, Chanute Air Force officials, and others who are familiar with Chanute, which of course is in my State and I am familiar with as well, indicate that the base Commission erred in assessing the availability of facilities at the base.

Now listen to this. This Commission said there is a shortage of facilities for training, for administration, for warehousing, for medical and dental care, for bachelor housing, and recreational facilities. On the contrary, these shortages simply do not exist. They are met in every category. Mistakes have been made in this, Mr. Secretary.

Now the Commission even recommended moving the photo interpretation training from Chanute, but, Mr. Secretary, there is no photo interpretation training at Chanute. It does not even exist. I mean, the point is, you understand I am not trying to be difficult I am trying to represent my State.

Here is a situation where no one went there and even looked. Here is a situation where years ago they looked at Chanute before, and my distinguished friend that I served with many years ago in the Illinois legislature, Ed Madigan, happens to be of the opposite political persuasion, a leading Republican on the House side, at that time they made findings and he took it to them and showed them they were flawed. In those days they dropped it.

Now what I am concerned about—Fort Sheridan is another matter; I could elaborate on that—here we see the flaws. We see the mistakes, Mr. Secretary. This is not critical of you. But if the conclusion arrived at is predicated on premises that are flawed, then are we to ask a town—I am talking about a little town of 20,000 people 200 miles from St. Louis, 200 miles from Chicago. The folks that work there live there, and the folks that do not work there live off the folks that work there.

Now that is what I am talking about here. I am talking about American tragedy in that area. See, if it is flawed, Mr. Secretary, are we not entitled to somehow develop that and give these people their day in court? This is America.

Mr. Carlucci. Senator Dixon, I agree with you that Chanute is a more difficult case than Fort Sheridan, and nobody wants to impact adversely on the lives of people, although historically the record will demonstrate that the dislocations resulting from base closures have been greatly exaggerated and the communities have managed to recover very well.

But in a more philosophical vein, I think this is a commentary on the overall legislative process. The fact is that we have made it impossible for a Secretary of Defense to close a base. A base has not been closed since when, 1975, 1976. Hence, the only vehicle seemed to be this all or nothing approach for political reasons.

If we can get back to a more sensible course where we vest the authority in the Secretary of Defense and exercising normal oversight with the Secretary of Defense, then if there are these kinds of errors—and that is a premise that I cannot accept, not having studied it—we can correct the errors.

So I do not think we should blame just this Commission. We should blame the whole process since 1975 or 1976 that got us to this state.

Senator Dixon. If I could just follow up—and I appreciate that the chairman is indulging me, as is my friend from Mississippi—the only final point I make is, see, I do not want names and addresses and telephone numbers to go hurt anybody. Anybody who knows Alan Dixon knows he does not have that kind of a spirit.

There is nothing in my heart that makes me ever want to hurt anybody. Help people; that is my spirit. But what I want to find here, though, is the truth, Mr. Secretary. That is all I ask. Imagine the frustration of a man who loves his people, and is given secret documentation that he cannot even let the lawyers in the back of the room see. See them sitting there? I am not allowed to even let them look at it.

I cannot go ask anybody how they applied a point system that is flawed. I cannot do that. I cannot find the answers. My people think I am an idiot when I go home and say I cannot explain this to you.

Chairman NUNN. Senator Dixon, may I say that——

Senator DIXON. Maybe they are right? [Laughter.]

Chairman NUNN. I did not say that.

Senator DIXON. I saw how you looked, though, Mr. Chairman. [Laughter.]

Chairman NUNN. I cannot remember even thinking that.

Let me just say we are working with the Commission people to try to declassify a large segment of this information, and we also have been given access—and you are right, it is still classified—to the classified material. It is in an annex that is a long distance from here; it is not very convenient. But it is accessible.

So we will work with them. You make a valid point about the fact that this needs to be declassified as much as possible, and I think a great deal of it can be declassified. So I think your point is valid. On that point, we have been working with the Commission on that. We will hear from them again tomorrow afternoon, and we hope to make substantial progress on it so you will be able to get the factual information.

Senator DIXON. Well, I certainly thank the Chair.

See, I would like to know how they did this point system, who figured it out, who applied it, what kind of computer type thing, which I do not understand, did they put it in to get these results? If I could understand that, then we will take our raw material, we will put it in the same computer. I am going to argue with you that it will come back that we are not last.

That is what I am saying here. And that is what our law suit is going to be about eventually. I just want a day in court, Mr. Chairman, for the people of my State.

Chairman NUNN. A very legitimate request.

Senator Lott.

Senator LOTT. Thank you, Mr. Chairman. Secretary Carlucci, we want to thank you for being here this morning.

Mr. CARLUCCI. It is a pleasure to see you here, Senator.

Senator LOTT. And to give us the opportunity to express our views. Yes, it is a different role from what I saw you in last, and also I want to say how much we do appreciate the job you did as Secretary of Defense.

Mr. CARLUCCI. Thank you.

Senator LOTT. We are very proud of you and commend you for your efforts while you were there.

Senator DIXON. If my friend from Mississippi will yield to me, believe it or not I share that completely.

Senator LOTT. Excellent. I would be glad to yield further if you would like to expand on that.

I would like to ask you just a couple of questions. I know you touched on at least one of them during your opening statement. One thing that kind of bothers me about this Commission recommendation is that the short-term savings are minimal at the least. Can you give me some idea in the next year to 18 months what kind of savings we are talking about and then what is the estimated, as the best you can determine it, long-term savings from this Commission report?

Mr. **Carlucci**. Well, the Commission calculated some $693 million per year annual savings, which on a discounted cash flow basis yields, over a 20-year period, a net present value of $5.6 billion. Now that is using a 6-year payback period.

And before you came in, Senator Lott, I indicated that obviously had you used a different payback period—7 years, 10 years—you could have brought about more savings.

Senator **Lott**. In the first year or two what kind of savings are we talking about?

Mr. **Carlucci**. Well, you are probably talking about costs more than savings in the first 2 years. That is why I put $1 billion or I recommended and President Reagan accepted putting $1 billion in the budget to begin the revolving fund for the first 2 years.

In addition, we would need to put some money in in fiscal year 1989 to begin the planning process. The key to success here is long-range planning. We need to start that right now. You need to start building the facilities at the new base before you close the old base. So you probably would not begin to get real savings flowing into the revolving fund until fiscal year 1992, in all likelihood.

Senator **Lott**. I guess that would always be the case, though.

Mr. **Carlucci**. Yes.

Senator **Lott**. You have closure expenditures.

Mr. **Carlucci**. This was not a short-term exercise. It was not done to help me with the budget, if that is your question. It made my budget life more difficult because I had to come up with another $1 billion.

Senator **Lott**. It was not done to help you with your budget, but was done primarily to help us with our overall budget problems.

Mr. **Carlucci**. It will help you a substantial amount, beginning in 1992.

Senator **Lott**. I understand that you commented on foreign base closures in your opening statement. You say that there are adequate procedures in place now to look at that on a continuing basis. I believe you mentioned that there had been some closures.

Mr. **Carlucci**. Right.

Senator **Lott**. But not very many.

Mr. **Carlucci**. Oh, I do not know. If you take since World War II our base structure overseas has come down by about a third. I asked this morning and got some figures on just the Army. The Army since 1985 has closed some 19 bases overseas.

Senator **Lott**. Since when?

Mr. **Carlucci**. Since 1985. And they are planning to close some 12 more by 1993. In addition, there are 20 more under consideration for closure. That is just the Army alone, although they probably have more bases than any of the other services.[1] But the Air Force would have some bases, for example the GLCM missile bases.

Of course you have to bear in mind that we do not have the same political impediments to closing bases overseas that we have here.

Senator **Lott**. You do have some political impediments to making some of those closures over there. They are not congressional or local politics the way ours are, but there are pressures from our allies, if nothing else, which is quite often political.

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[1] Army overseas base closure figures are for Europe only.

Mr. CARLUCCI. Well, that works both ways. I spent a year arguing with the Spanish about the 401st which they wanted out. The Italians were gracious enough and sufficiently interested in NATO's deterrent capability to be willing to take the 401st, but that was a difficult political decision for the Italian Government. There was a lot of opposition to it.

Generally the pressure, whether you are talking about Spain or Greece, the pressure is the other way and we have to negotiate to keep our bases open. We had a long, difficult negotiation in the Philippines which I am sure you are familiar with.

Senator LOTT. Tell me again why you think the two should be separated—just that this is a domestic political problem?

Mr. CARLUCCI. It is a domestic political problem and all you have to do is look at the statistical record. We have not closed a domestic base since 1975, I believe. Overseas we can close them at will. It is a question of military need overseas. Back home it is a question of dealing with the difficult politics of the issue.

Senator LOTT. Of course we all recognize, and I am sure you do, that the proper way to do base closures is not through a commission like this.

Mr. CARLUCCI. Absolutely.

Senator LOTT. You should be able to make decisions as Secretary of Defense or your successors based on the needs of the military, but we have set up such a very cumbersome process with all kinds of impediments, which if this individual member would be affected, his State, I am sure I would like those impediments.

But it still bothers me that we had to set up a look, Mom, no eyes, you cannot hear this, you cannot see this, you cannot feel it, you cannot stop it. I know nothing about it, no fingerprints on it of any kind. It is not a very good way to do business.

Mr. CARLUCCI. It bothers me, too, Senator Lott, but after weighing the pros and cons I decided it was the only way to achieve a goal in a period of declining budgets. I did not feel I could take $300 billion out of the Defense budget, which I did, and still not address this issue. And I calculated that this was the only way to address the issue.

I did not want the all-or-nothing approach. That was done at the insistence of the Congress. I accepted it because I was told it was necessary to get the legislation through.

Senator LOTT. Thank you, Mr. Chairman.

Senator LEVIN [presiding]. Thank you, Senator Lott.

Could the Commission provide with each of the base closures or realignments an estimate of how many personnel would actually leave the Federal work force and how many would just be transferred to other bases?

Mr. CARLUCCI. They went through the data on end strength reductions that would be achieved by base realignments, and we have those data. Before you came in, Senator Levin, I had a bit of an exchange with Senator Warner where I said if you take the overall end strength reductions you have two options.

If you take the reductions, the savings in terms of people that you achieve by closing 86 bases, you can use those savings in people to reduce your overall end strength, or you can move those slots to higher priority needs.

Senator LEVIN. What is the total number of people that would actually be eliminated from the work force—not transferred but eliminated?

Mr. CARLUCCI. I will have to get that.

Senator LEVIN. Do you have a rough number from memory?

Mr. CARLUCCI. About 20,000, I am told.

Senator LEVIN. 20,000 fewer people will be working for the Federal Government when these realignments are completed?

Mr. CARLUCCI. That is right. Now once again let me emphasize. You could take those 20,000 slots and move them to other high priority needs.

Senator LEVIN. Do you know whether each realignment has allocated to it a particular number of people who would be leaving the work force? Has that been provided to us?

Mr. CARLUCCI. I am sure that could be provided to you, that has end strength reductions associated with each.

Senator LEVIN. Are you in a position where you can have that provided to us?

Mr. CARLUCCI. Well, there are people here from DOD and I am sure they will provide it.

Senator LEVIN. If we could ask them to do that, it would be helpful.

Senator Eagleton, in a minority view, noted the lack of timely and complete cooperation from at least one of the military services, I believe, and talked about stonewalling from one of them. Can you comment on that?

Mr. CARLUCCI. The comment more appropriately comes from Commissioners Edwards and Ribicoff and I am sure they will be prepared to address that tomorrow. Senator Ribicoff did comment on it by noting that Senator Eagleton was the only Commissioner to make such an objection.

I think he did indicate that the Navy was a bit slow off the mark. You have to appreciate that the Navy was in a somewhat different situation than the Army and the Air Force. The Army and the Air Force had actual force structure reductions, so they were in a position to step forward very quickly. The Navy was in a period of expanding force structure and therefore did not have as many base closing opportunities to offer up, so to speak.

But, in any event, I was assured throughout the deliberations of the Commission by the Secretary of the Navy that he had issued instructions for the Navy to cooperate fully and from everything I have heard certainly during the middle and final stages of the Commission's deliberations they received good cooperation from the Navy.

Senator LEVIN. So you do not share Senator Eagleton's feelings in any degree?

Mr. CARLUCCI. Once again, I was not as close to it as Senator Eagleton, Senator Ribicoff or Congressman Edwards or any of the others. From what I understand, he may have been reacting to some initial slowness in the Navy moving. But I think as far as the overall study is concerned the comment does not seem fully justified.

Senator **Levin**. The environmental cleanup cost also has been raised. The Commission took the view that the cost of environmental restoration should not be included in its cost analysis of the recommended closures since apparently those cleanup costs are an outstanding liability of the Department of Defense, whether or not an installation is closed.

Mr. **Carlucci**. That is right.

Senator **Levin**. Was that decision of theirs based upon your guidance or recommendation, or was it their own independent judgment to do it that way?

Mr. **Carlucci**. Well, that was their own independent judgment, but it is certainly consistent with the actual situation. We do have to clean up the environment in any event, whether we close a base or keep it open.

Senator **Levin**. Does the $500 million per year that has been requested for the base closure account include the associated environmental restoration cost?

Mr. **Carlucci**. No. It does not. Once again, before you came in I indicated that that figure was put in by me personally and it was basically an estimate simply because the budget process was running ahead of the base closure commission process, and I decided I had to put something in. The services did not have anything in their budgets.

In retrospect, the figure looks reasonable because the actual costs will be somewhat larger than the $500 million. Some of that money could conceivably be used for environmental cleanup, but it was not put in for that purpose. There are separate funds being requested for the environmental cleanup.

Senator **Levin**. My time is up.

Senator Coats.

Senator **Coats**. Thank you, Mr. Chairman. Mr. Secretary, welcome. I am going to try to avoid the specific questions and save those for the Commission tomorrow.

I just want to ask a couple more general questions. One is on the environmental considerations. The situation that involves the closing of the Jefferson Proving Grounds in Indiana pretty much hinges on an environmental question.

Twenty-three million shells have been fired at that proving grounds since it was first opened. It was not until 1976 that they kept accurate records of what shells were fired and where they were fired. So the potential cleanup cost is staggering.

I know that the consideration was not used as part of the Commission's decisionmaking process, and yet what do I tell the people of this southern Indiana community regarding the piece of land that now suddenly is not available, when it is really unrealistic to think that the Department of Defense is going to come forward or anyone be able to come forward in the near future and spend the kind of money necessary to provide the environmental cleanup so that the land can be used for other purposes.

The response that I get from the Department of Defense is simply that, well, those are costs we would have had to incur anyway and therefore are not part of the base closing consideration in terms of achieving savings.

Yet I think you and I both know that those are costs that we do not know where the funds are going to come from and how quickly they are going to come in order to achieve that cleanup. So the community and the State feels like they are stuck with a piece of property here that they would like to utilize for other purposes but probably will not be able to afford to clean up and it is just going to sit there providing some risk.

How do I respond to that?

Mr. CARLUCCI. Well, you are quite correct. As I look at the figures, at the Jefferson Proving Ground we have got an estimate of about $4 million in there, so that obviously does not include environmental cleanup.

I think the answer is that the Defense Department is and should be committed to environmental cleanup. It is our environment as well as the local community's, and we ought to do what is necessary. We do not have unlimited resources and you are quite correct in saying nobody knows what the timeframe for the cleanup would be.

It hinges very much on the kind of budgets that are produced. But the Defense Department should not walk away from that responsibility and you should not let them walk away from that responsibility. I do not think they will want to walk away from it. I think they will work with you and make every effort to achieve the necessary cleanup even if it is extremely costly.

But I think we all have to be reasonable in terms of that timeframe.

Senator COATS. Well, we have some estimates of horrendous cost, and I do not know if they are over-estimated or not. But you can imagine 23 million shells, some of them the special ammunition that is uranium-depleted in a particular area, so that the cost there escalates dramatically in cleaning up that portion of the proving grounds.

It is just hard to make a convincing argument that the Department of Defense will have the resources in the near future or even in the next decade to be able to go in there and do the kind of thorough cleanup that is necessary to open that up for public use. One remaining shell poses a tremendous liability problem and tremendous risk to the people of the area.

Mr. CARLUCCI. Well, at the risk of seeming to be facetious, I believe we ought to have increasing defense budgets instead of defense budget decreases. It would be much easier to accommodate the environmental needs.

Senator COATS. I think you and I may share that, but I think we also share the belief that that is not going to happen.

Mr. CARLUCCI. I think it is unlikely to happen.

Senator COATS. We have been getting some confused answers back regarding some of the net savings and net cost and so forth. Who do we specifically work with at the Department of Defense to try to get a handle on all of this—what might be available from a relocation standpoint, what benefits might be available to individuals working there?

Mr. CARLUCCI. I think the best thing to do is to work with Dave Mason, who is here with me, from our legislative liaison office, who has been working this issue with the Congress from the inception, and he can provide access into the Commission staff which still continues to function and is the only entity that can really provide the data that you need.

Of course the GAO, as Senator Nunn indicated, is working with the Commission staff to review their analysis, so you will have access to the GAO information.

Senator COATS. Well, I look forward to doing that. We have already done that. We made a number of contacts with people in your agency and EPA and GAO and others. I have also been working with Congressman Hamilton to try to get answers to some of these questions, which frankly have not been forthcoming. We are really anxious to get the full story of just what the situation there is, and whether or not it really results in a savings.

I recognize the procedure that we are under here, and I think the people of that area and of our State want to do our part in contributing to efficiency of how we spend the taxpayers' dollars and resources, but on the face of it it looks like it is going to cost the taxpayer a lot more than it is going to save when you factor in these environmental costs in particular.

And to the extent that we can get a specific answer from you on that or some type of commitment I think it should be very helpful.

Mr. CARLUCCI. Well, at the risk of being legalistic, the answer is that we have a legal requirement to clean up the environment whether we close the base or not and we should follow that requirement and therefore the costs either way on the environment are a wash.

I recognize that you have a concern with regard to budget and what is the timeframe, and the only answer to that is that we have to work with you and try and resolve that problem.

Senator COATS. Well, we will do that, and I appreciate your offer to do that. I also want to take this opportunity to thank you for your service to the country as Secretary of Defense. I thought you were an extremely able and capable individual and provided some great leadership.

Mr. CARLUCCI. Thank you, Senator. I appreciate that.

Senator COATS. Thank you, Mr. Chairman.

Senator LEVIN. Thank you. Senator Wilson.

Senator WILSON. Thank you, Mr. Chairman.

Mr. Secretary, welcome back.

Mr. CARLUCCI. Thank you.

Senator WILSON. I should begin by telling you that Saturday evening I was at an event in California where your name was taken in vain with regularity and great pride. I was at an annual meeting of the National Italian-American Foundation, and you were a favorite son in absentia.

Mr. CARLUCCI. Are they going to support you when you run for office?

Senator WILSON. It is a very perceptive group. [Laughter.]

Senator LEVIN. A very perceptive question, too, as a matter of fact. [Laughter.]

Senator WILSON. Let me say that I too thank you, as I have before both publicly and privately, for your service. The idea of this Commission, the idea of trying to create a mechanism whereby we could streamline and make more efficient the military is obviously one that received almost unanimous approval.

And the questions that I really have are less for you as someone who sought to respond to that than for the staff of the Commission, who as I understand from Senator Dixon, will subsequently be before this committee, I believe just after the recess.

The process was one that was deliberately contrived in order to respond to the realities of politics, and we all understand that. I think probably the resolution of disapproval does not have much chance. There is, however, the need for some mechanism to cure defects, and I think frankly that there are defects in the work of the Commission and the work of the staff, some of which have been pointed out in the GAO report, some of which have been pointed out by the Congressional Budget Office.

One of the themes in the criticism of CBO is that if you close a base and effectively do not remove payrolls, if you do not eliminate payrolls and simply are transferring functions and transferring people to other bases, the savings may not be very significant.

I have heard you comment on the 6-year timeframe, and I think that is a valid point. The fact of the matter is, overall I do not know what your expectations were but I think those of the Congress in supporting this approach and this legislation were much, much greater than have in fact developed.

I would have to say that I think the savings are, frankly, disappointing and much, much less than most of us would have anticipated. Indeed there are some specific instances in which I see costs arising not just in the short term but really costs that will offset whatever savings are supposedly to come from a particular closure.

I can only say that I think in terms of having a remedy for the defects that do exist—and that is not said as arch-criticism; this was an ambitious undertaking, the timeframe was short, it was a difficult project—but I think we are probably going to be looking at the appropriations process as a means to deal with errors that were made.

I am hopeful that the hearings that Senator Dixon will be conducting are going to afford the basis for a sufficient examination to really reveal where those errors occurred so that we have in the appropriations process the means whereby they may be remedied, and where the defects can be corrected.

I am convinced that some have been made, that there really has not been account taken of what the offsetting costs will be, and again not just in terms of the fact that in some of the supposed closures the reduction in payroll, the reduction in personnel will be almost negligible, but also it seems to me that in some specific instances there has not been account taken of what it is going to cost when a function is not ceased but simply transferred to accommodate it in a new setting.

Though it may be argued that this was not the charge of the Commission, some of the implications, some of the results, the effects of the closing I think are going to result very clearly in expenditures that were not foreseen. To pick one just at random that you have already heard about on the House side, the closing of The Presidio as the Army's installation is going to transfer a greater burden to taxpayers as it comes under the jurisdiction of the Department of Interior, which it will.

I am thinking too of the fact that if you have a battleship and a battle group you are going to have to put them someplace, and you are going to have to accommodate them. There seems to have been little account taken of that in the recommendation to close the Hunter's Point facility.

I say that more by way of statement than a question to you because I think it is really properly a question for the staff to answer when they come before us.

Mr. Carlucci. There is one aspect of your comment that I would like to react to, Senator Wilson. I have not tried to go through every analysis and second guess the Commission. There are going to be enough people doing that. I did ask the services for their judgment on how this would impact their military mission and the services and the Chairman of the Joint Chiefs all said that this would have a positive impact.

If there are mistakes that you refer to, and one can argue about this, I would caution against risking sinking the whole process to correct one mistake. When you talk about making it through the appropriations process, I hope you do not mean getting back into the situation that existed prior to the statute where the appropriations process can be used to frustrate the closing of any base.

We have come a long way under this statute and we have got a certain amount of political momentum, and the choice of all or nothing was essentially a congressional choice. I testified before you came in that I did not like that aspect of it. I thought the Secretary of Defense ought to have discretion. I was told that this was the only way to get it through the Congress.

Senator Wilson. I agree with you.

Mr. Carlucci. So I accepted that. So in correcting the odd mistake here and there you have to look at the overall price you pay in terms of military effectiveness and savings to the taxpayer. So I would hope that in looking at this issue you would not in effect throw out the baby with the bath water.

Senator Wilson. I do not think that will happen. In fact, as I indicated, it would be very difficult for a resolution of disapproval to succeed. If your question, though, goes to whether or not the appropriations process is properly employed in order to cure the defects by stopping the closure of the base where it would be a mistake to permit it to go forward, if that is what you mean then I would respectfully disagree.

I think that that is the way to remedy what hopefully are not if not numerous mistakes at least some fairly clear ones.

Mr. Carlucci. You see, where that leads you, Senator Wilson, is the line item approval for every appropriation as opposed to the general fund that was envisaged by the statute, and once you get into line item approval of appropriations for each base then forget the whole process.

We are right back to where we were, and I think the Congress will end up with egg on its face it that happens.

Senator Wilson. I would have to respectfully disagree, just as you thought that it was the part of wisdom to retain the discretion of the Secretary, a position with which I agree. I voted for the legislation even though I disagreed with the all or nothing proposition. I understand its rationale.

It seems to me that to say in the face of evidence of a glaring error that we must omit that simply because on balance there is more good than bad in the general resolution is really a default on our responsibility.

Mr. CARLUCCI. But that is a prior judgment that the Congress made in passing the statute.

Senator WILSON. As you know, one Congress binds its successors for only as long as the successor chooses to be bound. I would have to say too that I think that the appropriations process is going to be difficult enough for those who think that there are errors in the Commission's work to use as a means of correcting those errors.

That is by no means an easy thing to do because I think that the majority of the Members of Congress who did support this, if not unanimously at least with a very hefty majority, did so with the hope that they could in fact save money and I think that that attitude continues. I think it persists.

But where in fact there will not be money saved, then I think very rightly there is going to be an effort to try to make changes to not amend the resolution but to cure those defects in a responsible fashion. It will not be easy in the appropriations process, but I think it would be a mistake simply to say gee, that was a terrible error they made, but I guess that is the price of progress.

Mr. CARLUCCI. Well, let the record show that I do not accept your premise yet that there are errors. I am not in a position to make a judgment.

Senator WILSON. That is why I am saving those questions for the Commission staff.

Mr. CARLUCCI. If in fact there are errors, then you have to weigh the value gained in correcting that error against the value lost in subverting the whole process.

Senator WILSON. Thank you. Thank you, Mr. Chairman.

Senator LEVIN. Thank you, Senator Wilson.

I just have one more question. Did you or your staff or did the staff or the heads of the departments formally or informally suggest or recommend candidates for closure?

Mr. CARLUCCI. No, sir. I directed the departments not to recommend candidates.

Senator LEVIN. And that includes informal suggestions?

Mr. CARLUCCI. They interacted with the Commission. They were called before the Commission and asked for information, asked for their views, and they were obviously authorized to respond.

Senator LEVIN. So they could respond to questions about what their informal views were regarding which bases should be offered up?

Mr. CARLUCCI. Yes, sir. But at one point, as a matter of fact, I had received word that somebody would like a list, and I said, no, there will be no list that will come out of the Pentagon.

Senator LEVIN. What is the difference between a list and an informal recommendation in response to a question?

Mr. CARLUCCI. There is a very big political difference, Senator Levin. I mean, this bill was passed basically on the argument that you could not trust the Pentagon—an argument that I do not accept, by the way, but nonetheless political reality compelled me to accept. And therefore I wanted no list because I calculated that that would subvert the effort to pass the legislation.

On the other hand, you cannot expect a bunch of people coming in from the outside to in a 6-month period collect all the wisdom there is to know on these bases. They have to interact with the services. They have to understand the military mission. They have to understand the training needs. And that information can only come from the military services.

As the Commission itself pointed out, fundamentally this is a military issue, which is why it ought to be handled by the Secretary of Defense.

Senator **Levin**. Yes, but my question was not seeking information on missions or training needs. My question was whether there was an informal recommendation upon request as to which bases the service might like or be willing to see closed, and your answer to that was yes. I am not so sure that there is any difference between that and a list.

Mr. **Carlucci**. I am not sure that is the way the dialogue took place. You would have to ask the Commissioners that question. My impression was and if you look at the Commission's report they are very careful on their methodology. They broke the mission needs down into certain categories of training and then they reviewed the bases in light of those needs, training and housekeeping functions.

So I suspect the dialogue was, well, how valuable is Chanute from a training aspect or how valuable is base X, Y, or Z as a homeporting base to you? Where does it fit into your overall mission? I doubt very much that any of the Commissioners had them walk in and say well, should we close Chanute Air Force Base, and the Air Force said "yes," and that was the end of it.

I am sure that is not the way the dialogue took place.

Senator **Levin**. I just want to thank you, Secretary Carlucci, for your testimony and for your service to the Nation. I know it will be ongoing. You have had a very fine relationship with this committee, and all of its members. We are all very grateful for that relationship and for your service to our country.

Senator Wilson, do you have anything else?

Senator **Wilson**. No, Mr. Chairman, thank you.

Senator **Levin**. Thanks for being here.

Mr. **Carlucci**. Thank you, Senator.

[Whereupon, at 11:17 a.m., the committee adjourned.]

BASE REALIGNMENT AND CLOSURE

WEDNESDAY, MARCH 15, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The committee met, pursuant to notice, at 5:03 p.m., in room SR-222, Russell Senate Office Building, Senator Sam Nunn (chairman) presiding.

Committee members present: Senators Nunn, Exon, Levin, Kennedy, Dixon, Glenn, Shelby, Warner, Thurmond, Wilson, McCain, Lott and Coats.

Committee staff member present: Arnold L. Punaro, staff director.

Professional staff members present: Robert E. Bayer, David S. Lyles and Michael J. McCord.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; Romie L. Brownlee, deputy staff director for the minority; George K. Johnson, Jr. and Ronald P. Kelly, professional staff members.

Staff assistant present: Mary J. Kampo.

Committee members' assistants present: Jeffrey B. Subko, assistant to Senator Exon; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Donald A. Mitchell, assistant to Senator Glenn; Terrence M. Lynch, assistant to Senator Shelby; Anthony H. Cordesman, assistant to Senator McCain; Jack D. Crouch II, assistant to Senator Wallop; Charles Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

OPENING STATEMENT OF SENATOR SAM NUNN, CHAIRMAN

Chairman NUNN. The committee will come to order.

This afternoon the committee holds the second hearing to examine the work of the Secretary of Defense's Commission on Base Realignment and Closure.

Yesterday we had testimony from former Secretary of Defense Frank Carlucci. Secretary Carlucci was the original architect of the one-time streamline process to review our military base structure which the Commission report represents. He was very complimentary of the work of the Commission in yesterday's hearing.

This afternoon we are pleased to welcome 3 of the 12 Commissioners who were appointed by the Secretary of Defense to conduct an independent analysis of the Defense Department's U.S. basing structure. The members of the Commission had an ambitious and largely thankless task. In a matter of months they had to analyze our current military base structure and then develop specific realignment and closure recommendations.

To their credit, they developed a systematic approach to that work and a cost model to estimate the financial implications of various alternatives. That work was a service to our country. The committee is grateful that the Commission members are willing to testify today despite the fact that their Commission actually expired and was dissolved on December 31, 1988.

On December 29, 1988 the Commission released its report to the Secretary of Defense and to the Congress. Understandably, public attention is focused on the Commission's recommendations to close 86 bases and other defense properties, partially close five others, and realign the mission of 54 other installations.

The Commission estimated that these actions would generate a long-term recurring savings of about $694 million and a 20-year savings in terms of net present value of $5.6 billion.

The Commission also made a number of broad policy recommendations which, in my opinion, are just as important as these specific base closure recommendations. These include ways to expedite the implementation of the specific closure actions as well as steps which the Commission has felt were important to enhance the functional value of the remaining installations.

On January 5 of this year, Secretary Carlucci approved the Commission's report. We are now in a period of congressional review during which the Congress can reject this report's recommendations through a joint resolution of disapproval.

The Commission's recommendations have generated a great deal of concern among the communities which would be adversely affected; and, of course, that is entirely understandable.

There have been questions raised regarding the validity of some of the Commission's data and the wisdom of some of its recommendations. One of the purposes of today's hearing is try to air these differences of view and to understand how and why the Commission developed its recommendations.

We warmly welcome our three witnesses this afternoon. Many on this committee and certainly many in the Senate have served with Commission cochairman, former Senator Abraham Ribicoff, who does not look a day older than when he left here.

You look great, Abe, and we are glad to have you here.

I can say the same thing about former Congressman Jack Edwards, a good friend of all who served with him over the years. They did a superb job in leading the work of the Commission.

Others of us have had the privilege of serving on this committee during the approximate 10 years that Jim Smith was the principal professional staff member responsible for handling the military installation issues. Jim had the reputation of being one of the best staff members we have ever had on the committee.

So we have indeed a very distinguished panel here today. That is not going to make the questions any easier because I know there are going to be some tough questions that are sincerely felt by members, but we do welcome all of you here.

If you would like to lead off with any kind of an opening presentation, we would be glad to have that, or if Jack, Abe or Jim would like to make any brief comments.

STATEMENT OF ABRAHAM RIBICOFF, FORMER SENATOR, COCHAIRMAN, BASE REALIGNMENT AND CLOSURE COMMISSION

Mr. **Ribicoff**. Thank you, Mr. Chairman and members of the committee. I am always delighted to meet old friends, and I will wait for my compliments until we have concluded the questioning.

We are pleased to be here today to testify on the findings and recommendations of the Defense Secretary's Commission on Base Realignment and Closure. In so doing, Mr. Chairman, we will try our best to be responsive to the questions raised in your letter of January 20, 1989.

After reviewing all military installations on American soil including those currently under construction or planned for construction, the Commission identified a number of them that we believe should be closed or realigned. We arrived at these recommendations after serious consideration.

We understand and could anticipate the reaction of the civilian communities surrounding the bases identified for closure. Change is not always welcome. In fact, it can be very threatening. In our review, we were heartened by the substantial evidence showing that communities do recover from the temporary dislocations that result from a base closing. Many end up much better off once they have succeeded in replacing the military activity at the base with other economic activities related to the private sector.

Environmental concerns are also valid when major land use change takes place. We paid special attention to environmental factors bearing on our proposed actions. In a number of cases, the environment will benefit.

Throughout our five public hearings, 12 business meetings and numerous informal sessions, the Commission's primary focus was the military value of the base structure. We have evaluated military value for individual bases in terms of how well each base met the mission-related needs of the units or activities located there measured against a set of criteria applied consistently to all installations in a given category.

At the same time, the review process that we developed revealed whether there was additional capacity within categories of bases having similar missions. The number of bases that can be closed in an operation such as this depends on the amount of excess capacity in the system.

We sought ways to realign functions and units in such a manner as to improve mission performance. This led in some cases to the vacating of bases and in others to a diminishment of activity.

As we evaluated the base structure, we addressed a number of factors that contributed to the military value of a base: physical characteristics; the relationship to the surrounding community; and the condition of the facilities.

Regarding the physical characteristics of a base, its size and location were significant in our review since they relate to the installation's ability to support current and contemplated missions.

Furthermore, size and location are primary considerations in determining an installation's ability to accept additional units or activities resulting from reorganization of the base structure.

In reviewing the issue of size and location, the Commission developed a concern about the adequacy of training areas for the Armed Forces. Modern tactical warfare doctrine calls for greatly increased mobility. The operating space requirements of modern units dwarf those of yesterday's forces.

For instance, today a mechanized army battalion needs more than 80,000 acres to practice standard maneuvers, 20 times more land than required by its World War II predecessor.

The sophistication and extended ranges of modern weapons also increase requirements for larger training areas. Today, with the high speed of modern tactical aircraft, large ground practice ranges adequate for training 10 years ago are overflown in a matter of seconds. A World War II fighter aircraft had a requirement for aerial maneuver space of 5 nautical miles. Today, a fighter aircraft needs 40 miles, and even this requirement will be doubled in the near future with the advent of the advance tactical fighter.

There is also a growing need for a new kind of range capable of accommodating the full use of electronic warfare devices without interfering with civilian use of the airways.

Realistic training requires access to varied terrain. Marine Corps units practicing amphibious operations need beach landing sites with appropriate tides. Low level helicopter flight training must be conducted over challenging terrain in order to develop pilot proficiency. Armored mechanized infantry units require soil stable enough to support heavy vehicles.

We hope that the services and Congress will seriously consider our recommendations regarding the acquisition of large areas for military training. In some instances, a factor of military value involves the ability of a military base to survive in a nuclear environment.

Years ago, the speed and range of strategic bombers dictated their bases be located near the coast to facilitate reaching their targets overseas. However, while technology has since extended the range of strategic bombers, it has also provided the Soviets with missile-equipped submarines which are now a consideration in locating strategic bomber bases further inland to improve their survivability.

Another factor that we considered was the relationship between the base and the surrounding community. Despite the relatively large land area of the United States, there is often an intense competition for desirable areas. Bases that were once remote and isolated are now engulfed by urban development. This encroachment of civilian activities on military operations affects their operations.

Civilian encroachment has constrained the growth potential of many bases while reducing their ability to conduct training and has impeded in some instances efforts to consolidate units or functions. In some parts of the country, a growing competition for valuable land has pitted local interest against military requirements.

We found the encroachment problem to be particularly acute for military flight operations. Air bases across the country must contend with extremely congested air space due to the rapid growth of commercial and private aviation.

In addition, those air bases located in populated areas are restricted by noise abatement requirements and limits on night operations.

A third factor with a direct impact on military value is the condition of base facilities. Substandard facilities damage both operation effectiveness and morale. We learned that the current base structure was not ideal. It is evident there is a real need for larger military training ranges to overcome the current restrictions of land, air and water space.

To address this problem from a joint use perspective, the services should seek ways in which they might expand training areas such as the National Training Center at Fort Irwin, CA to accommodate the need for battalion, brigade and division level maneuvers coordinated with artillery, missile and air support.

For example, combining Twentynine Palms, Fort Irwin and Camp Roberts, CA, Nellis Air Force Base, NV and range areas of western Utah could, with the addition of several hundred acres of lease land in Death Valley, provide a greatly expanded area to meet the armed services training requirements for the foreseeable future.

In conclusion, we believe that the Commission's recommendations offer an important opportunity not only to save taxpayer money but without compromising at the same time the security of our Nation.

Thank you, Mr. Chairman.

[The joint prepared statement of Mr. Ribicoff and Mr. Edwards follows:]

JOINT STATEMENT OF
SENATOR ABRAHAM RIBICOFF AND REPRESENTATIVE JACK EDWARDS,
CO-CHAIRMEN
DEFENSE SECRETARY'S COMMISSION ON BASE REALIGNMENT AND CLOSURE

Mr. Chairman, Members of the Senate Armed Services Committee.

We are pleased to be here today to testify on the findings and recommendations of the Defense Secretary's Commission on Base Realignment and Closure. In so doing, Mr. Chairman, we will try our best to be responsive to the questions raised in your letter of January 20.

After reviewing all military installations on American soil, including those currently under construction or planned for construction, the Commission identified a number of them that we believe should be closed or realigned.

We arrived at these recommendations after serious consideration. We understand and could anticipate the reaction of the civilian communities surrounding the bases identified for closure. Change is not always welcomed; in fact, it can be very threatening. In our review, we were heartened by the substantial evidence showing that communities do recover from the temporary dislocations that result from a base closing. Many end up much better off, once they have succeeded in replacing the military activity at the base with other economic activities related to the private sector. Nevertheless, the initial concerns are valid, and the hardship can be very real for the individuals, schools, local governments, and businesses affected. We considered the socioeconomic impact of our recommendations, and believe that it will be minimal in nearly all cases.

Environmental concerns are also valid when major land-use changes take place. The application of environmental regulations to base closing efforts is a key factor in the recent history of this entire issue. We paid special attention to environmental factors bearing on our proposed actions, and are satisfied that the environment of the bases concerned will not suffer from their implementation. In a number of cases, the environment will benefit.

Throughout our five public hearings, twelve business meetings, and numerous informal sessions, the Commission's primary focus was the military value of the base structure. We evaluated military value for individual bases in terms of how well each base met the mission-related needs of the units or activities located there, measured against a set of criteria applied consistently to all installations in a given category. We established categories in order to avoid comparing apples to oranges.

At the same time, the review process that we developed revealed whether there was additional capacity within categories of bases having similar missions. The number of bases that can be closed in an operation such as this depends on the amount of excess capacity in the system. In those cases where individual bases did in fact have serious deficiencies in their ability to support assigned missions, and if there was some appropriate capacity available within the system, we sought ways to realign functions and units in such a manner as to improve mission performance. This led, in some cases, to the vacating of bases, and in others, to a diminishment of activity.

That, in simple terms, is the process that we used for our task. The process was, of course, supported by mountains of detailed data, presented in formats and in accordance with decision rules approved by the Commission. We also developed a comprehensive cost model, described in our report, that was used to estimate the various costs associated with our proposed recommendations.

This model was essential in determining whether a particular set of realignment actions related to a specific base could be accommodated within the payback guidelines set forth in our charter. Let us stress that this cost-estimating model did not make decisions; it merely estimated costs related to tentative decisions.

It was our charge to exercise a collective judgment about the issues that confronted us. The process was in no way a purely mechanical one. As Commissioners, we insisted that the information presented to us be objective and free of value judgments. We then applied what we believed to be common sense, based on our aggregated public-service experience, to the objective information in order to reach our final recommendations. We all felt strongly about this, and took our responsibilities very seriously. It did not enter our minds simply to endorse some computer-generated or anecdotal list of bases for closure, and we can assure you that the recommendations we submitted to the Congress and to the Secretary of Defense last December reflect our collective personal judgment. The individual Military Services were generally cooperative. Even though they did not like all of our recommendations.

As we evaluated the base structure, we addressed a number of factors that contributed to the military value of a base: physical characteristics, the relationship to the surrounding communities, and the condition of the facilities.

Regarding the physical characteristics of a base, its size and location were significant in our review since they relate to the installation's ability to support current and contemplated missions. Furthermore, size and location are primary considerations in determining an installation's ability to accept additional units or activities resulting from a reorganization of the base structure.

In reviewing the issue of size and location, the Commission developed a concern about the adequacy of training areas for the Armed Forces. Modern tactical warfare doctrine calls for greatly increased mobility. The operating space requirements for modern units dwarf those of yesterday's forces. For instance, today a mechanized Army battalion needs more than 80,000 acres to practice standard maneuvers, twenty times more land than required by its World War II predecessor.

The sophistication and extended ranges of modern weapons also increase the requirements for larger training areas. Today, with the high speed of modern tactical aircraft, large ground practice ranges, adequate for training ten years ago, are overflown in a matter of seconds. A World War II fighter aircraft had a requirement for aerial maneuver space of five nautical miles. Today's fighter aircraft need forty miles, and even this requirement will be doubled in the near future with the advent of the Advanced Tactical Fighter. There is also a growing need for a new kind of range capable of accommodating the full use of electronic-warfare devices without interfering with civilian use of the airwaves.

Realistic training requires access to varied terrain. Marine Corps units, practicing amphibious operations, need beach landing sites with appropriate tides. Low-level helicopter flight training must be conducted over challenging terrain in order to develop pilot proficiency. Armored and mechanized-infantry units require soil stable enough to support heavy vehicles. While simulation techniques are useful in meeting some training requirements, unit proficiency can only be attained through "real life" exercises. We hope that the Services and the Congress will seriously consider our recommendations regarding the acquisition of large areas for military training.

In certain instances, a specific location is a critical prerequisite to the mission accomplishment of a base. Two examples illustrate this:

First, despite the higher land values associated with such locations, the Navy needs deep water ports that have easy access to the ocean and are close to our sea lines of communication. Second, the Marine Corps mission to conduct amphibious over-the-shore operations requires access to beach front training areas, again in increasingly costly locations.

In some instances, a factor of military value involves the ability of a military base to survive in a nuclear environment. Years ago, the speed and range of strategic bombers dictated that their bases be located near the coasts to facilitate reaching their targets overseas. However, while technology has since extended the range of strategic bombers, it has also provided the Soviets with missile-equipped submarines, which are now a consideration in locating strategic bomber bases further inland to improve their survivability.

Weather and its effects on flight-training and operations can be another important physical factor in basing considerations. Special climatic conditions may be desirable for training unique units, as well as for research, development and testing of equipment.

Another factor that we considered was the relationship between the base and its surrounding community. Despite the relatively large land area of the United States, there is often an intense competition for desirable areas. Bases that once were remote and isolated are now engulfed by urban development. This encroachment of civilian activities on military installations affects their operations. Civilian encroachment has constrained the growth potential of many bases while reducing their ability to conduct training and has impeded, in some instances, efforts to consolidate units or functions. In some parts of the country, a growing competition for valuable land has pitted local interests against military requirements. This has been particularly evident near deep-water ports.

We found the encroachment problem to be particularly acute for military flight operations. Air bases across the country must contend with extremely congested air space due to the rapid growth of commercial and private aviation. In addition, those air bases located near populated areas are restricted by noise abatement requirements and limits on night operations.

A third factor with a direct impact on military value is the condition of base facilities. Substandard facilities damage both operational effectiveness and morale.

During visits to various installations, Commissioners and staff observed a great number of deteriorating facilities. The continued presence on numerous bases of a large number of wooden buildings erected during World War II and designed to be used for ten years at most is but one example. The data on individual installations provided by the Services showed that antiquated structures are commonplace and are not restricted to any single Service or mission area.

We recognize that military construction projects compete for funds with other national defense requirements. However, we encourage the Department of Defense and Congress to consider the adverse impact that inadequate living and working conditions have on the performance and retention of personnel.

Under ideal conditions, the Department of Defense would be able to design a base structure from the ground up with full consideration given to the mission requirements of its forces. However, the reality is that any comprehensive basing proposal must begin with the existing base structure.

When a new basing requirement arises, the first response is to determine whether that requirement can be met at an existing base, because it is more economical to station a new unit on an existing base that may have some unused space rather than acquire a large tract of land and build a complete infrastructure at a new location.

We learned that the current base structure was not ideal. It is evident there is a real need for larger military training ranges to overcome the current restrictions in land, air, and water space. To address this problem from a joint-use perspective, the Services should seek ways in which they might expand training areas, such as the National Training Center at Fort Irwin, California to accommodate the need for battalion, brigade, and division level maneuver coordinated with artillery, missile, and air support. For example, combining Twentynine Palms, Fort Irwin, and Camp Roberts, California; Nellis Air Force Base, Nevada and range areas in western Utah could, with the addition of several hundred thousand acres of leased land in Death Valley, provide a greatly expanded area to meet the Armed Services training requirements for the foreseeable future. Nevertheless, the base structure generally meets the mission-related needs of the Armed Services in the context of their current force structure, and on that basis, the task of the Commission was primarily one of adjustment.

During the course of our evaluations, we encountered a number of situations that, while not involving proposed base closures or realignments in all cases, do require attention. Accordingly, the Commission decided to make a series of recommendations with the understanding that they are not part of the "all or none" package. In some cases, these recommendations are critical to the successful implementation of the Commission's base closure and realignment recommendations.

In the area of financing base closures, the Commission is extremely concerned that the implementation of its recommendations may be frustrated unless adequate funding is provided early in the process and that existing rules and regulations affecting the process are streamlined. In order to accomplish this goal, the Commission recommends the following:

Capitalize the Base Closure Account as quickly as possible. At a minimum, the Account should receive $300 million in appropriations in the Fiscal Year (FY) 90 Defense Appropriations Bill.

Congress and the Department of Defense should develop special reprogramming rules to permit the transfer of other Department funds into this Account as necessary. The Services should be given authority to reprogram FY 89 funds appropriated for construction projects at installations designated for closure. This action will enable the Services to accomplish timely environmental analyses, construction design, and site preparation.

So as not to delay the timely implementation of its recommendations, the Commission recommends granting statutory relief from Section 207(a) (2) (b) of the Base Closure and Realignment Act, which prohibits the Secretary of Defense from transferring into the Account other funds appropriated to the Department until approval is obtained in an appropriations act and notice is provided to the Congress.

Provide statutory relief from the provisions of the Federal Property and Administrative Services Act of 1940 (40 U.S.C. 471 et seq.) that restrict the way the Secretary disposes of real property and facilities. The current requirements present a complex and time-consuming screening process that may lead to delays resulting in minimal proceeds for the Base Closure Account to fund relocations.

The Administration should remove regulatory impediments for the sale of excess land. Also, it should enforce the current Office of Management and Budget policy that transfers between federal agencies be accomplished at fair market value.

The Department of Defense should accelerate efforts to dispose of "salable" land in order to deposit those proceeds into the Base Closure Account as rapidly as possible. Also, the Department is encouraged to be innovative in this effort. For example, it may not be necessary to vacate the land before a sale is made. Further, a sale may be contingent on the buyers providing replacement facilities for the military, who would move when there are facilities available.

Finally, the Commission recommends that the Secretary of Defense, in managing the Base Closure Account, makes disbursements from the Account in proportion to both the Services' contributions to the Account and the Services expected savings. This approach is fair and would provide incentives for the Services to take actions to build the Account balance.

It is clear that if the base closure process is to advance during a time of severe budget constraints, it will be necessary to make the program self financing to the greatest extent possible. The Commission's recommendations were made with this goal in mind.

The Commission recommends that, in addition to current initiatives, the Secretary of Defense also consider, after costs of implementing the Commission's recommendations have been satisfied, using any remaining funds to lease or acquire land to facilitate the creation of an expanded range complex.

In light of the concern Congress has expressed about the presence of the Department of Defense in the National Capital Region, the Commission reviewed the results of a master-development planning effort documented in "A Report to Congress on Department of Defense Administrative Space Planning for the National Capital Region.

We realize that much of Department of Defense occupied administrative space in the National Capital Region is leased, that lease costs in the National Capital Region are among the highest in the nation, and that costs are expected to soar in the next ten years.

Consequently, the Commission endorses the broad planning goals developed in the study and urges the Secretary of Defense to consider long-range alternatives to reduce the cost of leased space in the National Capital Region. The Commission specifically encourages the Army's public-private development plans for the Fort Belvoir Engineer Proving Ground. The development concept is to encourage the sale or exchange of the 820-acre parcel to a private developer who would, in turn, construct needed office facilities for the Department of the Army on a portion of the site, while developing the balance of the site as private office parks and residential communities. The Commission supports the passage of special legislation authorizing this public-private development and similar Department of Defense initiatives in the National Capital Region.

The Army's development plan at Fort Belvoir is illustrative of various innovative real-estate agreements being pursued by all the Services. These efforts typically lead to enhanced mission capability, consolidation of Department of Defense functions, and significant cost savings.

We found that another example of such transactions is the Marine Corps plan to consolidate its geographically separate activities in the Kansas City area. As a result of creative real-estate agreements, three Marine Corps functions will be collocated in the same vicinity with the Army, Navy, and Air Force activities.

The Commission recommends that the Secretary of Defense establish policies and guidelines that encourage the Services to pursue innovative real-estate transactions.

In reviewing Department of Defense reserve-unit locations, the Commission found there were many opportunities for improved efficiency through closure and realignment. However, the Commission was reluctant to include such facilities for closure and realignment, since there is no statutory guarantee that proceeds form the sale of a specific reserve activity will be applied directly to the associated relocation costs.

Therefore, the Commission recommends that the Secretary of Defense accelerate current efforts to consolidate Reserve Component locations and sponsor special legislation allowing the sale of land and facilities to fund related relocations.

The Commission recognized that the numerous laboratory activities of the Department of Defense are important to maintaining necessary technological competence. Because of time constraints, we were unable to review the entire complex subject, particularly with regard to an examination of missions versus ongoing activities and the relationship between in-house and contract work. The Commission was also provided information concerning the decline of the Research and Development (R&D) budget and the resultant concern that laboratory capabilities were being diluted or subsidized by activities better performed elsewhere.

The Commission recommends that the Secretary of Defense establish a task force to examine these concerns. Such a review should include the development and application of a uniform set of standards designed to improve the overall effectiveness of the Department's laboratory activities, with a view toward consolidating such activities and eliminating those functions that might better be accomplished by the private sector.

At the completion of its work, there was a consensus among the Commissioners that what we had recommended was worthwhile and defensible. At the same time, we felt that there were further opportunities to be pursued, particularly in the areas of the Government Owned Contractor Operated Facilities (GOCOs), and military laboratories just mentioned. Quite frankly, the most constraining factor was the six-year payback, which eliminated many actions from further consideration. On the other hand, the kinds of actions that did not meet the payback criterion were those that required substantial new construction to implement. Since we are already concerned about the need for an augmentation of military construction funding to bring about the adjustments in the base structure we have recommended, the six-year payback may in fact be an appropriate limitation in the current budgetary environment. With that in mind, it could be said that while there may be further opportunities for closure and realignment actions, there are probably not ones with order of magnitude differences beyond what we have recommended.

The scope and nature of our recommendations reflect current and future requirements as we now see them, but as the nature of the threat and force structure change, new basing realignments and closures will be required. We trust that the emphasis of our report will lead to a smoother and more flexible process for these changes in the future. As we discussed in our report, there is definitely a role for the Congress in that process, but the key to the success of any future process is the development of a greater trust between the Congress and the Administration.

We realize that implementing our proposed realignment and closure recommendations will require courage, but we believe that the hard budget choices facing our nation mandate that unneeded bases be closed and realigned.

Chairman NUNN. Thank you, Senator Ribicoff.

Congressman Edwards.

STATEMENT OF JACK EDWARDS, FORMER CONGRESSMAN, COCHAIRMAN, BASE REALIGNMENT AND CLOSURE COMMISSION

Mr. EDWARDS. Thank you, Mr. Chairman and members of the committee. We are pleased to be here today to testify on the findings and recommendations of the Defense Secretary's Commission on Base Realignment and Closure.

One of my first experiences as a freshman representative from Alabama was the closure of a base in my district, Brookley Air Force Base. At the time, we felt the loss of 14,000 civilian jobs was a real crisis. It was 17 percent of our work force, and I fought very hard against that decision for about 2 years, but we lost.

As it turned out, however, Brookley has experienced a very successful conversion from military to civilian use. Today it is an industrial aviation and educational complex with the potential for even more development. That experience has been and can be repeated with encouragement from the Federal Government and hardworking people at the local level. Nothing our Commission recommended comes even close to the magnitude of a Brookley Air Force Base.

I would like to spend a few minutes reviewing the process by which we arrived at our recommendations. It is described in our report and in our prepared statement, but there are several important features that ought to be emphasized.

First, military value was truly the touchstone of the process. It was where we started out in identifying installations as candidates for further review and where we ended up in specifying realignments of units and functions so as to enhance their missions. So while other factors were considered, the concept of military value and its application to the task we were asked to accomplish dominated our deliberations. I think you will agree that that is entirely proper in an undertaking of this nature.

The next point I would like to reiterate is that our process was thoroughly methodical but not mechanical. We collected a vast amount of data describing conditions on the thousands of installations we were asked to review. We used this data to compare installations having similar missions and what we called utility arrays in order to get some indication of the potential for taking action; but then as a group the Commissioners applied collective judgments to the matter at hand in arriving at the final decisions.

We did not just pluck these recommendations out of thin air or off some previous list, and we did not blindly follow the utility arrays. We identified candidates through a comprehensive process that we developed ourselves, and we merged commonsense with objective criteria in making our recommendations.

As in every endeavor of this sort, there will be those who will challenge our judgment. In fact, there has been a certain amount of second guessing going on ever since we presented you our report last December. Much of the relatively small amount of negative reaction has been personal; that is, people are upset that the local base where they work or which provides their customers or which provides in the case of military retirees a source of medical or other benefits is on the list.

Sometimes a question of data is brought up in one of two ways. First, there are allegations that the Commission did not have or did not use accurate information about the base in question, that it is a much finer place than we described in our report. In fact, we found very few installations that were of no military value. All of them have various amenities, but we were not asked to find useless bases. Rather, we were charged with finding underutilized or unnecessary bases.

As you know, the primary source for data about individual bases can only really come from the military services. We made an assumption that the services would have accurate data about their own facilities. We checked that assumption with our own auditing procedures, and we found in fact that this was true.

The second data base argument has to do with cost. People find it hard to believe that we can shut down an operation at one installation and resume it at another without a great deal of waste and extra expenditures. Sometimes a recommendation of ours involves walking away from a relatively new facility that people, the taxpayers in the local community, have observed being built. It probably is hard for them to believe that such a move will save money.

In fact, we spent much time developing and improving the cost estimating model to assist us in our deliberations. It is not the final word on such models, but I believe that I can safely say that it represents the most sophisticated cost estimating approach ever brought to bear on this issue of base realignments and closures. Having observed its effectiveness, several of the services plan to adopt it to their own uses.

We included a full spectrum of costs, both one-time and recurring costs related to sale and purchase of real estate to construction to transportation of equipment to relocation of personnel to changes in administering benefit programs to improvements in operations and to consolidation of common support functions.

We think we pretty much covered the waterfront with a few costs that were intentionally omitted having nonmaterial effect on the outcome of the cost projections. Of course, the projections are estimates, but we believe they are reasonable since they're based on a very comprehensive set of inputs.

So while we believe that everyone has a right to a different opinion, we don't feel that our critics have a right to a different set of facts. We have confidence in the overall quality of the data that was used.

Two final points, Mr. Chairman. First, given the scope of our task, there was some constraint on our ability to act. Senator Ribicoff and I have both commented on other occasions about the fact that the 6-year payback criterion served to limit the extent of our recommended actions. Our report strongly suggests that future base-closing efforts should not be so tightly constrained.

If we had been working with a 10-year payback provision, for example, we believe we probably could have saved additional money in our report.

Second, in order for this process to work, some up-front military construction money will be required, pump priming money if you will. In most cases, disposing of bases will produce revenues for the base closure account, but a substantial appropriation will be required to get it started.

We recommended a minimum of $300 million in order to generate the expected longer-term savings. I understand that the Department of Defense budget for fiscal years 1990 and 1991 has recommended a larger amount of some $500 million for each of those years.

It has been said that the largest loophole in this whole plan is that the Congress may just fail to appropriate this money. That, in my opinion, Mr. Chairman, would be most unfortunate and unwise. It has been some 12 years since a major base has been closed in this country, and we urge the Congress to do what must be done: Act favorably on the Commission report and authorize and appropriate the necessary money to make the plan work.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Congressman Edwards. Mr. Smith.

STATEMENT OF JAMES C. SMITH, BASE CLOSURE COMMISSIONER

Mr. SMITH. Mr. Chairman, I do not have a prepared statement. I am here to back up my distinguished cochairmen. I want to say it is a pleasure to be here. It hardly seems possible that it has been now more than 4 years since I left the service of this committee and left Washington and went out of public service into the private sector to try to make a living.

The Commission I served on was a very distinguished group and a very interesting bunch of Americans giving their time to this issue. It was a hardworking bunch. Our two cochairmen were real taskmasters. We agreed to disagree on many occasions, but I think that the final product that we came up with is certainly a product that will withstand the scrutiny and is an excellent product and will in fact yield big dividends to the American taxpayer.

What I would like to do in my capacity here today is to back them up. They certainly have the expertise and have gone through this process, and if I can help in any way I would be glad to.

Chairman NUNN. Thank you very much. I understand Senator Kennedy has a time problem. We had originally anticipated starting at 4:30 p.m., so I am going to yield my time, and I will resume my place at his appropriate time.

Senator Kennedy.

Senator KENNEDY. Thank you, Mr. Chairman. I appreciate it.

As all of us know, we are getting close to St. Patrick's Day, and I have been fortunate enough to meet the Irish Prime Minister. So I am grateful to you for permitting me to proceed out of order.

I think all of us on this committee owe all of the members of the Commission a good deal of commendation for their continued commitment to public service. They reflect a variety of previous contributions to the public life and security of this Nation. They have taken a good deal of time and given a good deal of attention to one of the really challenging responsibilities in terms of trying to make possible some of the savings and enhance our security and our military posture position. So I want to join those who have expressed appreciation for that service.

I am sure many of us look at the decisions based upon whether we have an enhancement or a decline in terms of various bases in our particular regions. I have had the chance to look through the report, and, having made those general observations, I know that there have been two major realignments in terms of my own State.

One is that Watertown Laboratory ~~will be~~ altered and changed and moved to different regions of the country. Really, the question there is what consideration was given to the kind of team that has been put together in that location and how, as I understand it, the personnel will be moved to different locations, mostly on the east coast.

I am just wondering if consideration was given with regard to Watertown to include that in the review that is being made of the other laboratories. I think this was something that the people up there have asked me, and perhaps you will be able to give us some indication as to whether that was given any consideration.

Mr. **Edwards**. You refer to the other laboratories. One part of our report makes the point that we feel that other laboratories ought to be looked at, but we did not have the time to go into all of them.

We found in Watertown an immediate payback with the $7 million plus annual savings, and it was so clearcut in our study of that particular laboratory that we concluded we had no choice under our charter but to deal with it as we found it.

I suspect that if the Pentagon will take further looks at laboratories generally that they will find some areas where they can make further savings.

Mr. **Ribicoff**. I think I would like to add, too, the committee was very skeptical about whether these laboratories really are performing a service for the country and the defense, and there was great skepticism about Watertown. I think it was so obvious that the committee unanimously agreed. I think Mr. Cabot, a member of the Commission, visited that laboratory, and he did not demur at all to the closing.

I think one of the recommendations is that the Defense Department and this committee take a good, hard look at all the laboratories in the United States to see whether they are doing the job for which they are set up.

Senator **Kennedy**. As you know, on that particular site there is a good deal of dangerous environmental toxic substances. There was actually a nuclear reactor there a number of years ago. I know that the recommendation of the Commission was to ensure that the

Defense Environmental Protection Program which has some $500 million would be brought into the cleaning up of that particular site.

As we understand it, part of the consideration was the land value that that would bring to the Defense Department if the Watertown arsenal is closed. Of course, with that kind of a toxic site there, it is going to be extremely difficult to convert it into any other use, and there is $12 to $13 million in outstanding projects that are on line at the present time.

I am just wondering if there was any judgment decision in these areas if it is necessary to close that particular facility and you have those kinds of environmental problems and it is going to get in line with all of the other bases which are not part of this study but other areas where the Defense Department has some responsibility for cleaning up that at least they may be given some priority so that if there are going to be benefits that are going to accrue from the transfer to civilian context that at least that not be delayed and that it be transferred and get back on the tax list of that community.

This may be something in terms of the backup materials. Since the Commission itself is now not functioning, I do not know whether you would have any reaction to a proposal like that.

Mr. **Edwards**. First, the Commission is not functioning any more, but there is in place now a Pentagon staff that is put together to implement these proposals, and they will be dealing with that type of problem. We found varying degrees of environmental pollution in almost all of these facilities.

We took the position that under the defense environmental restoration program those were matters that would be dealt with under that program and, that while we were not unaware of the problems, we felt that we could not dwell on that as a reason for taking no action.

Senator **Kennedy**. Fine. My time has expired. I wanted to get into the issue of Fort Devens as well, but I understand that others have questions.

I want to again thank you for the opportunity to follow up on these measures.

Thank you, Mr. Chairman.

Chairman **Nunn**. Thank you, Senator Kennedy.

Senator McCain.

Senator **McCain**. Thank you, Mr. Chairman.

First of all, I would like to say that I either know or know of every member of this Commission. I have the highest regard for them as individuals and appreciate their willingness to embark on this difficult mission.

My good friend Congressman Edwards stated that these decisions were not pulled out of thin air, and also that the critics have a different set of facts from the Commission.

I say to my good friend we have no facts. We have no facts because we have been given no facts that would in any way let us know how the Commission's decisions were arrived at. We asked for the facts from the Commission and from the Department of Defense for an analysis of the justification for the Commission's decisions concerning Fort Huachuca.

We did not get a meaningful reply. The response was a pile of heavily censored and largely meaningless material. The data that were relevant were highly contradictory. I received one piece of paper, for example, that indicated that the decision was based on an 11-year payback rather than 6.

I believe that the American people, particularly the people of Arizona, deserve full information as to what went into the Commission's decisionmaking process. I have to say in all candor, however, that we received no useful information in response to three separate letters to the Secretary of Defense or to any questions we put to the Commission staff.

It is not that I disagree with you on the facts of the case. What I disagree about is that we cannot get any information. I also promise you that the frustration that I am now displaying is nothing in comparison to that of the people that I represent. They are asking me what facts were used in making this decision. I cannot tell them because I cannot get that information.

I am told that on Monday or tomorrow that I will receive more specific answers to some of the questions that I have been asking now ever since the Commission's decisions were first made public. I hope so, but I also hope that you can now shed some light for me, and for the people of Sierra Vista, AZ, on what drove this decisionmaking process. We need something more than an interesting chart that shows seven different military installations, with arrows going in and out of them. So in all respect, please tell us what rationale was driving the decision for relocating the U.S. Army Information Services Command from Fort Huachuca, AZ to Fort Devens, MA.

Mr. **Edwards**. The method in our madness in that particular issue is tied in with Fort Meade, Fort Holabird, Fort Devens, Fort McPherson and Fort Monmouth, I believe, in New Jersey, where we tried to pull together under one roof certain activities of the military to try to bring a little better order out of the military command structure there.

It was our judgment that we could save money and provide better arrangement by putting the intelligence activity at Fort Huachuca. In exchange for that or in return, we moved ISC from Fort Huachuca to Fort Devens, and we moved pieces of ISC from Fort McPherson to put them under one roof and to try to simplify that system. I believe a portion of it was at Fort Monmouth as well and perhaps another place or two.

I guess we will hear more about this later, but we have the transcripts and backup papers available for review. I understand that some complaints have been made about certain classifications which were placed on those materials. They are so classified because the material that came from the Pentagon to us came with those classifications.

Now the Pentagon is going to have to deal with that problem of removing the classifications if you are not seeing everything that you ought to see.

The only thing that we as a Commission felt compelled to do was to omit the names of Commissioners in what we call the markup or in the discussions where we were doing our work. We just felt that in a free flow of debate there, a commissioner ought to feel comfortable in having his say.

I understand from your committee staff that progress is going forward even now with the Pentagon to try to deal with the classification question. We are not classifiers. We simply place the classification on the material that we got.

Senator McCAIN. Our information from the Pentagon is that they cannot find the data that was used in making this decision. We hope they will review and be able to find that data.

Can you tell me in the decision of the realignment of the ISC to Fort Devens whether it was based on an 11-year payback or 6-year payback?

Mr. EDWARDS. To my knowledge, we did not include anything over a 6-year payback.

Senator McCAIN. My time has expired. I do have to say, however, that one sheet that we received shows a realignment of ISC to Fort Devens saving $190 million, 17 million annual payback over 11 years.

Mr. EDWARDS. I do not know what you are looking at, Senator, but that is not accurate.

Senator McCAIN. I am quoting from the official Commission record that was transferred by the Secretary of Defense to us.

I know my time has expired, Mr. Chairman, and I apologize for that, but I would like to emphasize that we would at least like to get the date that went into this decisionmaking process. I have to say again, in all candor, that we have not received that information. I think the people that are affected by this decision deserve that.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator McCain. I believe Senator Dixon is next.

Senator DIXON. Mr. Chairman, I ask consent of the Chair to place my statement in the record.

[The prepared statement of Senator Dixon follows:]

PREPARED STATEMENT OF SENATOR ALAN J. DIXON

Mr. Chairman, it has been my experience in forty years of public service, that if a public official or public agency is basing decisions on bad information, you get a bad result. If the decision is based on no information, you get a worse result.

That is exactly where we find ourselves in these hearings today. The Base Closing Commission arrived at bad decisions because of bad information. We, in Congress, are trying to arrive at decisions without adequate information. I find this situation intolerable, and it is my intention to keep reminding everyone involved that a lot of mischief is going to be done, affecting thousands of people simply because the Commission didn't have accurate information before it, didn't visit a number of bases involved, and hasn't given us whatever information it was that they supposedly based their decisions on.

The number of mistakes that have been discovered thus far leads me to believe that the verification process was seriously flawed. Anyone familiar with Chanute knows that this base does not have the shortages the Commission stated it has. Several million dollars have been spent in recent years to improve facilities at Chanute. If these facts had been verified by a visit to Chanute this base would not be on the base closing list today. The simple fact is that the Commission received bad information, and this information was not verified by a visit or by a competent staff audit. The system is flawed.

Bad information again was the culprit behind recommending the closure of Fort Sheridan. Savings will not be realized, because the Commission substantially underestimated the cost to move missions, the cost to keep open portions of the facility, and a whole host of other cost considerations. As one of the Commissioners noted when he visited the base, this is an important base that contributes greatly to the Army's mission. So why close it because of bad information?

Before I close, I want to stress one point. The people of Illinois, and I'm sure in other affected areas as well, are more than willing to make sacrifices that will improve our military performance and save badly needed tax dollars. Americans have always done this and always will. What is hard for many to accept is that they are being asked to suffer hardship because of bad information! It is simply not fair to them to ask them to accept these hardships without competently validating the information that was used by the Commission.

Finally, Mr. Chairman, I want to reiterate—bad information, bad results. No information, worse results. It can't get any worse than this!

Senator DIXON. I ask consent of the Chair that certain written questions by my friend, the distinguished senior Senator from Kentucky, Wendell Ford, be tendered to the witnesses and that their response be requested.

Chairman NUNN. Without objection, those will be processed.

Let me ask a question here procedurally. Do you have a staff in the Pentagon that can now respond to these questions that would be able to be responsive and speak for the Commission?

Mr. RIBICOFF. Mr. Chairman, the staff is inundated, and they are working as hard as they can, what remains of the staff, to respond to all the questions asked. They are working on about 150 questions for the other three committees. They have orders to respond to every question that is asked by any Member of Congress, and they are doing that, Mr. Chairman. That will all go in the record, and that will all be forthcoming.

Chairman NUNN. Thank you.

Senator DIXON. Mr. Chairman, I would like to place in the record a review of base closure issues, a case study done by the majority clerk of the Appropriations Subcommittee on Military Construction. The majority clerk found that the Commission construction costs were underestimated by 33 to 50 percent. If this is the case, construction costs to close bases could reach $2.7 billion, almost $1 billion more than the Commission estimated.

I ask that that be placed in the record, Mr. Chairman.

Chairman NUNN. Without objection.

[The information referred to follows:]

REVIEW OF BASE CLOSURE ISSUES: A CASE STUDY

(A REPORT SUBMITTED TO THE COMMITTEE ON APPROPRIATIONS, UNITED STATES SENATE, BY THE MAJORITY CLERK, SUBCOMMITTEE ON MILITARY CONSTRUCTION)

February 1989

INTRODUCTION

During the period February 10–17, 1989, the majority clerk of the Subcommittee on Military Construction visited military installations in California and Utah to review various issues pending before the Subcommittee.

During the field review, the majority clerk visited the following locations: the Army's Dugway Proving Ground in Utah and National Training Center at Fort Irwin, California; Marine Corps bases at Camp Pendleton, Twentynine Palms and San Diego; thirteen U.S. Navy installations in the San Diego area and the Long Beach Naval Station; and George, Norton, March, and Vandenberg Air Force bases.

At these 23 locations, the majority clerk specifically reviewed military construction projects currently pending before the subcommittee totaling almost $600 million requested by the Department of Defense for fiscal years 1990 and 1991.

The majority clerk concentrated, however, on a case study of base closure activities which were recommended by the Defense Secretary's Commission on Base Closures and Realignments at three Air Force bases in California.

Following is the majority clerk's report on base closure issues for use by the Subcommittee in preparation for a joint hearing with the Subcommittee on Defense scheduled for March 2, 1989.

CONSTRUCTION COSTS UNDERESTIMATED

The majority clerk toured two installations in California recommended for closure by the Commission on Base Realignment and Closure: George Air Force Base and Norton Air Force Base. The majority clerk also visited March Air Force Base which will receive most of the units and missions which would be relocated as a result of the closure of Norton.

In general, the majority clerk found many questions and issues surrounding base closure plans to be unresolved. Of significant concern to the Subcommittee is the magnitude of construction which would be necessary to implement the Base Closure Commission's recommendations.

According to information provided to the majority clerk by Department of Defense and military service officials prior to the visit, the Base Closure Commission recommendations included estimates of construction totaling $1.8 billion over five years. However, at the locations visited, the majority clerk found that estimates of construction produced by the Commission's cost-estimating model were substantially understated.

The majority clerk concentrated on the relocation of 36 C-141 jet transport aircraft and other tenant units from Norton Air Force Base to March Air Force Base. On January 6, 1989, the Department of the Air Force officially informed the Subcommittee by letter that, based on the results of the Base Closure Commission's report, initial estimates of construction at March to support the C-141 and other units' relocation from Norton was $277.4 million ($297 million including design). The construction cost associated with the Norton base closure was identified to be one of the largest single military construction investments associated with the Commission's package of recommended base closure and realignment activities.

During the reviews undertaken at Norton and March Air Force Bases, the majority clerk found that the most current estimates for construction to support the closure of Norton and the partial relocation of Norton missions to March range from $400 million to $450 million. This represents a 33 to 50 percent increase in the estimates first provided the Air Force by the Base Closure Commission. Furthermore, the majority clerk found that current estimates will likely increase as other Air Force Commands, impacted by the Norton closure, are fully brought into the planning and coordination of Norton base closure activities.

The majority clerks' findings indicate that the cost-estimating model utilized by the Base Closure Commission to calculate the costs and savings of implementing the Commission's recommendations may be severely flawed, at least as the cost of construction was calculated. If the estimates of construction nationwide are as flawed as the estimates originally submitted for the Norton-March realignment, total military construction investments associated with base closures could reach $2.7 billion—more than the combined military construction budgets of the Army, Navy and Air Force inside the United States for all of FY 1990.

The majority clerk did not review the operations and maintenance and personnel costs associated with the Commission's base closure recommendations. Therefore, the majority clerk is not in a position to judge if the remaining costs and savings of the Commission's recommendations are accurate. However, the majority clerk has been briefed that there will be no end strength military personnel reductions in the Department of Defense as a result of base closures and that the Commission failed to include the costs of relocating units of less than 100 persons from closed bases.

Under the public law which established the Base Closure Commission, a "base closure account" is authorized for appropriations for the purpose of implementing the Commission's recommendations. The previous Administration requested $1 billion to be appropriated in fiscal years 1990 and 1991 to capitalize the account and initiate base closure activities until savings from the sale of assets at closed bases can be realized in future years and applied toward construction and other costs of realignment.

In the Senate, the Subcommittee on Defense Appropriations has requested jurisdiction over the base closure account appropriation. In view of the magnitude of construction associated with base closure and realignment activities, the majority clerk believes the Subcommittee on Military Construction should carefully consider its role in the oversight of the expenditure of funds which will be necessary to fully implement the Base Closure Commission's recommendations.

The majority clerk, therefore, recommends that the Subcommittee on Military Construction should seek to establish appropriate oversight over base closure-related construction investments which could reach almost $3 billion. Under existing law, the Department of Defense would be permitted to exercise complete discretion over the obligation of base closure account funds without specific project oversight by the Congress which is the usual military construction process.

Attached to this report as "Appendix A" is a preliminary list of major construction projects associated with the potential realignment of missions from Norton AFB to March AFB. It should be noted that an additional $94 million to $122 million for construction will be necessary to fully satisfy Norton-related closure activities at five additional locations, other than at March.

ADDITIONAL ISSUES UNRESOLVED

The majority clerk also found other unresolved issues which could impact on the ultimate costs and savings resulting from base closure activities. A brief discussion of those issues follows:

The Air Force's Ballistic Missile Office is adjacent to Norton Air Force Base. Presently, the BMO relies on Norton to provide base support and family and community support activities and facilities. Air Force officials at Norton stated that the BMO will need to maintain many existing Norton support facilities such as the clinic, base exchange, commissary, recreation facilities and other facilities. Although all of the specific assumptions of the Base Closure Commission have not been made available to the Congress, it appears from the data which has, thus far, been made available, that the Commission failed to take into account the potential costs of maintaining these support facilities, other than family housing, for the Ballistic Missile Office at Norton.

With regard to the most significant impact of the Norton base closure—transferring the Military Airlift Command's C-141 mission to March AFB and one other Air Force base—the majority clerk found local views significantly divergent from those of the Base Closure Commission. The Commission's report states that the C-141 mission should be relocated from Norton because "flight operations . . . have become constrained because of increasing air traffic congestion."

The majority clerk found unanimous agreement among Air Force operators and pilots that air traffic congestion would be far worse at March Air Force Base, which, under the Commission's recommendations, would receive 36 of the 48 C-141's and eight additional C-12 and C-21 aircraft currently assigned to Norton. Although gaining 44 new aircraft, March would only lose a net of 18 from existing units being realigned. Those interviewed by the majority clerk indicated that the airspace at March is already severely overcrowded and would become "saturated" if the Norton aircraft are moved to March as the Base Closure Commission recommends.

Norton base officials indicated the only mission-limiting factor currently at Norton is the lack of modern facilities which the majority clerk estimates could be substantially satisfied by the investment of some $200 million over the next five years, considerably less than the half a billion dollars or more it will take to totally remove the flying missions from Norton to other locations.

At March AFB, the majority clerk found that there is only one active runway. An overall net gain of 28 aircraft will clearly add to the congestion in the already highly dense Oakland air traffic control operational area. In fact, Air Force officials at March felt the base's one active runway to be "saturated already" without the addition of the MAC missions from Norton.

The majority clerk also found severe land encroachment by local housing developments to be in the extreme at March, making expansion of airfield facilities and the construction of another runway impossible. Planners from the Strategic Air Command, which is in charge of overall March operations, indicated that the addition of C-141's and other Norton aircraft will have to be accommodated by rescheduling existing air traffic.

The majority clerk also notes that the Commission's report to the Secretary of Defense asserted that, among the reasons to close Norton is that "there is a shortage of weapons storage facilities." Norton is a Military Airlift Command transport base, not a Strategic Air Command or a Tactical Air Command base. Therefore, the need for weapons storage at Norton is minimal.

The Commission also stated that Norton suffers from "inadequate medical and dental" facilities. The majority staff found that the base recently completed a rehabilitation and expansion of existing medical and dental facilities.

Finally at Norton, the majority staff found that some savings being assumed by the Base Closure Commission may never be realized. For example, Air Force officials at Norton provided the majority clerk with a fact sheet from the Commission which stated that "closure of Norton will avoid approximatley $7 million in expenditures for environmental projects." Norton commanders briefed the majority clerk that instead of saving $7 million by closing Norton, environmental clean-up activities will total $20 million for installation restoration. Under the provisions of the public law which established the base closure process, the federal government must assume the total cost of environmental restoration at closed installations as required by the National Environmental Policy Act of 1969.

Given the findings of the majority clerk's review at Norton, it can be assumed that significant environmental clean-up costs resulting from base closure may have been omitted in the Base Closure Commission's cost-estimating model.

Perhaps the most significant aspect of the Norton case study is the potential that the base closure account may never realize significant revenues as a result of the sale of land and structures at Norton Air Force Base. Although the Commission and the Department of Defense has, thus far, failed to provide the Congress with the specific costs and benefits assumed by the Commission's recommendations, it is known that the Commission calculated net savings substantially from the sale of properties at closed bases. The Commission's report states that "the Commission valued property based on the estimated fair market value of the land."

The most recent estimates provided the Subcommittee two years ago indicates that the federal government has invested more than $165 million in facilities at Norton. Of course, the replacement value of these structures is much higher. In addition, these figures do not calculate the potential value of the base's very valuable Southern California 2,428 acres.

The majority clerk was briefed at Norton that local city officials plan to continue to utilize the base as an operational civilian airport and for industrial development. However, according to the briefings, local officials are insisting that the property be "transferred to the community at no or low cost." Base officials said that local officials are taking the position that the community provided the property to the War Department in the 1940's, "and now they want it back." The majority clerk's schedule did not permit an independent assesssment of local plans for the Norton installation once it is closed. However, the majority clerk has no reason to doubt the statements of Norton Air Force commanders.

The Commission's report projects average annual savings from the Norton closure to be $70 million. However, the majority clerk has documented that the Commission severely underestimated the cost of construction necessary to move Norton missions to other locations. If the Commission also miscalculated the savings which could be achieved as a result of the sale of Norton properties, the taxpayers may fail to realize the savings assumed by the Base Closure Commission's report.

OPERATIONAL ISSUES IDENTIFIED

The majority clerk also identified significant operational and training issues at George Air Force Base which may require additional review by the appropriate Senate Committees of jurisdiction.

George AFB is the location of all Air Force training with the F-4 aircraft, primarily the F-4 "Wild Weasel" aircraft which play a significant role in contingency plans for the U.S. Air Force on the Central Front in Europe and around the world. George F-4 "Warrior Training" units also provide significant support to the Air Force "Red Flag" training at Nellis AFB, Nevada, and the Army's National Training Center which the majority clerk verified during a visit to Fort Irwin.

The majority clerk found that the closure of George AFB and the movement of the F-4 Warrior and Wild Weasel training to Mountain Home Air Force Base in Idaho, has raised significant training issues which were not apparently fully appreciated by the Base Closure Commission.

The Base Closure Commission recommended the closure of George "primarily due to degraded training effectiveness, air traffic congestion," etc. The Commission's report specifically linked training and congestion, stating "all flight operations are constrained by increasing air traffic congestion in the greater Los Angeles area.

However, the majority clerk was briefed by the commanders of the F-4 training missions that air traffic congestion and commercial corridors in the area "have not been a problem with training" at George. Instead, the commanders stated that the geographical location and the training profiles of the aircraft "pretty much isolates commercial air traffic routes." Commanders specifically indicated that George has

29 unimpeded low level air traffic routes to use to transit to existing training ranges.

The Commission report also stated that "training for George's defense suppression units is hampered by a distance of over 150 nautical miles to an electronic combat training range." Under questioning by the majority clerk, George base commanders acknowledged that "Mountain Home AFB has only one range and it is too small and too restricted" to effectively support the Wild Weasel training missions.

The range currently available near Mountain Home is half the size of the Superior Valley Range now being utilized by George aircraft. In addition, the range is only instrumented for Mountain Home's F-111 aircraft, which fly entirely different missions from the F-4's. Since 60 of the F-111's currently assigned to Mountain Home which will remain at the base, the F-4's will be competing for range time on a smaller range. Thus, range time for the F-4 training missions will likely be cut back from the current readiness pace in order to accommodate F-111 scheduling. George officers stated that without additional range space at Mountain Home and improved range instrumentation, the F-4's would be forced to fly to ranges some 275 miles away to achieve realistic training, and uneconomical option.

In addition, because of the distance from Mountain Home, Warrior Training aircraft will no longer be able to support the realistic training activities at the Army' National Training Center at Fort Irwin. Also, because of the distance to Nellis Air Force Base in Nevada, the F-4's will no longer be able to support the "Red Flag" training activities unless the aircraft receive air to air refueling enroute, a very costly undertaking.

Air Force officials said they are presently working with the Governor of Idaho to find additional air space suitable for training. However, unlike the current situation where training range land in California and Nevada is owned by the federal government, much of the land around Mountain Home is privately owned which will likely create significant obstacles to resolution of the training issue. In addition, because of the location of Mountain Home, other states, especially Oregon, must become involved in the process of providing sufficient air space to accomplish the F-4 mission training.

The majority clerk also found that similar to the Norton base closure, the costs of relocating the George F-4's to Mountain Home were substantially underestimated by the Base Closure Commission. According to the January 6, 1989, letter, previously referred to, the Air Force estimated military construction costs of only $33.2 million to move the F-4's from George to Mountain Home. According to a site survey just completed, a total of $87 million in military construction would be required to directly accommodate the F-4 mission at Mountain Home.

According to George commanders, there are no available facilities to accommodate the 93 F-4's which would be moved to Mountain Home. Since most of the F-111's currently based at Mountain Home are remaining (32 will be relocated to Cannon Air Force Base in New Mexico) the number of aircraft currently assigned to Mountain Home will double. This will require the construction of another runway (there is only one currently) and construction of substantial more ramp space, in addition to F-4 mission-specific facilities.

In addition to the $87 million in mission-related construction, another $30 million will be required to instrument the air training range, assuming the previously discussed problems can be resolved.

Finally, there is the question of cost and availability of housing and community support facilities at Mountain Home, which, at the direction of the Office of the Secretary of Defense, have not yet been included in the current cost estimates. George officers stated that Mountain Home currently does not have the resources to house the more than 2,950 personnel and their families which will be moved to the base once George is closed.

In addition, as the majority clerk found at Norton, the costs of environmental clean-up prior to closing the base will be substantial. Most significant is the potential cost of removing asbestos from buildings before they can be turned over to a nongovernment entity. A recent survey at George found that 40 percent of the buildings on base have asbestos problems. Base officials stated that the cost of asbestos clean-up will become one of the biggest costs of closing the base.

The Base Closure Commission maintained in its report that the cost of environmental clean-up should not be calculated as a cost of closure since such activities would be undertaken anyway. However, environmental clean-up would be paced over a number of years if the base were to remain an active Air Force installation. Instead, when the base is closed the asbestos clean-up must already be completed and any remaining environmental problems, such as the removal of exisitng underground storage tanks at George, will still remain the financial responsibility of the U.S. taxpayer.

CONCLUSION

The majority clerk chose at random the three Air Force bases in California to conduct a case study of the military construction implications of base closure activities. The findings of the majority clerk's review indicate that significant obstacles remain to making the Base Closure Commission's recommendations a reality.

It as not the intent of the majority clerk to take issue with specific base closures and realignments chosen by the Commission. Instead, the majority clerk sought only to identify the significant military construction issues which must be resolved by the Department of Defense and the Congress once the Base Closure Commission's recommendations are enacted.

What the majority clerk found during the recent visits and briefings in California does raise a number of questions with regard to the validity of the Commission's cost-estimating models. Furthermore, the magnitude of construction investments associated with base closure activities underscores the necessity that the Subcommittee establish appropriate oversight mechanisms to monitor the expenditure of base closure account funds which will be utilized for construction.

APPENDIX A

MILCON RELOCATION

UNIT	BASE	COST
63 MAW	MARCH	350-385M
AAVS	MARCH	30-35M
DRMO	MARCH	5-10M
AFAA	MARCH	3.5-5M
AAFES	MARCH	10-12M
AFOSI	MARCH	1-2M
Rec Sq	MARCH	.5-1M
	*Subtotal	400-450M
63 MAW	McCHORD	30-35M
AFLC	McCLELLAN	30-40M
BMO	NORTON	20-25M
AFISC	KIRTLAND	7-12M
MAC NCO ACADEMY	TRAVIS	7-10M
	**TOTAL	494-572M

WING

TITLE	SCOPE
UPGRADE AIRCRAFT PARK. APRON	400,000 SY
HIGH SPEED TAXIWAY	28,300 SY
RUNWAY 32 (FIRST 3000')	3,000 FT
TAXIWAY 1 OVERLAY	77,083 SY
JET FUEL STORAGE	80,000 BL
HYDRANT FUEL SYSTEM	3,600 GPM
MAC WING HQ/COLOCATED CP	40,000 SF
THRESHOLD LGTS & CAT II ILS	LS

OPERATIONS

TITLE	SCOPE
ADAL LIFE SUPPORT	LS
MAC WST	23,700 SF
MAC OPERATIONS COMPLEX	60,000 SF
ADAL FTD	15,500 SF
ADAL C-12/C-21 SUPPORT FAC.	LS

MAINTENANCE

TITLE	SCOPE
MAINTENANCE HANGERS	123,000 SF
CORROSION CONTROL HANGER	56,000 SF
ADAL FUEL CELL	LS
ADAL NOSE DOCK	LS
PMEL	8,500 SF
MAINT CONTROL & ACFT PART STORE	80,000 SF
MHE AND SPECIAL EQUIP MAINT.	34,000 SF
ADAL NDI LAB	LS
PARACHUTE SHOP (AIR DROP)	10,000 SF
ADAL AC ENGINE I & R SHOP	25,300 SF
GP ACFT MAINT SHOP	60,000 SF
ADAL AGE SHOP	LS
OMS SHOP	70,000 SF
AVIONICS SHOP	16.000 SF
AIRCRAFT WASH RACK	45.000 SF

RESOURCES

TITLE	SCOPE
ADDITIONAL LOX AND LIN STORAGE	LS
FUELS OPERATION FACILITY	4,500 SF
BASE MILITARY SERVICE STATION	LS

TRANSPORTATION

TITLE	SCOPE
TRAFFIC MANAGEMENT FACILITY	70,000 SF
ADAL VEHICLE OPERATIONS	3,000 SF
ADAL TMO	8,400 SF
AERIAL DELIVERY SUPPORT FAC.	33,400 SF
FLEET SERVICE FAC.	15,500 SF
AIR FREIGHT TERMINAL	85,000 SF
PASSENGER TERMINAL	39,000 SF
TMO SURFACE FRT OPEN STORAGE	28,000 SF

SUPPORT

TITLE	SCOPE
GYM	27,000 SF
ADAL LIBRARY	13,200 SF
TROOP ISSUE	17,700 SF
VISITING OFFICERS QUARTERS	59,850 SF
CHILD DEVELOPMENT CENTER	12,500 SF
ADAL BCE COMPLEX	25,000 SF
VISITING AIRMAN QUARTERS	24,000 SF
ADMINISTRATIVE SUPPORT FAC.	23,087 SF
DINING FACILITY	35,361 SF
ENLISTED DORMITORY	100,000 SF
FURNISHINGS MANAGEMENT OFFICE	LS
TLF 30 UNITS	16,200 SF
ADAL DATA PROCESSING CTR	1,000 SF

Senator DIXON. For the record, may I ask——

Mr. EDWARDS. May I just say that we have not seen that.

Senator DIXON. For the record, may I ask the distinguished witnesses who the name of the person is that we should contact over there, since we have never found anyone that will talk to us?

Mr. RIBICOFF. Hayden Bryan, who is the chief of the staff.

Here he is, right in back of me.

Senator DIXON. Mr. Bryan, thank you.

Mr. RIBICOFF. I think you will find him very courteous and cooperative.

Senator DIXON. I thank the Senator.

I would like to ask both the distinguished Senator from Connecticut and the distinguished Congressman from Alabama whether it is a fact that in the House you stated on March 1 at a hearing, and I quote, that "there is nothing that you have done that shouldn't be available to the Congress of the United States"?

Mr. RIBICOFF. That is absolutely correct.

Senator DIXON. I thank both witnesses. You understand that the frustration that my friend from California and my friend from Arizona and this Senator experience is that these are given to us marked secret. We are instructed by our staff that we cannot share them with people such as lawyers that I have in the room who have been sent here by the Attorney General from Illinois who are trying to compile data by virtue of which we may challenge the factual content of your report and the conclusions that you drew.

I must state for the record as I did to the distinguished former Secretary of Defense yesterday that we have been given nothing to date. We have not been given access to any of the raw material. Everything we have been given is marked secret.

So I think that two former Members of Congress would understand the frustration that those of us who are trying to represent the interest of our States feel at this time.

Mr. RIBICOFF. Let me tell you what happened. First, the Commission has not stamped anything secret. About 2 or 3 weeks ago, coming into the office I found a memorandum from the Defense Department that there was a question about keeping material secret and not making it available and that I would receive a call to explain it to me.

I did not receive this call from the writer of that memorandum. I called back, and I was told that I would receive this call.

I called Hayden Bryan. I said as far as Abe Ribicoff is concerned, there is not a thing that we have done, that we have said, that should not be made public and available not only to the Members of Congress but, as far as I am concerned, for the press.

Then I called Jack Edwards in Mobile, and I said, Jack, I have this. I want you to know how I feel about it. As far as I am concerned, there is not a thing that we have done that should not be available. Jack said I agree with you completely.

You see, however, once we finished our work, everything went over to the Pentagon, so they had complete control of the stenographic records of all the material. We had nothing left. They had it.

Then I think Jack had some conversations, and my understanding was that I think we instructed the Defense Department to get together with the Armed Services Committee and straighten this darn thing out so that there would not be this impasse, because as far as I am concerned there is nothing we have done in the Commission that is secret. It is available to you and any other Senator or Congressman.

Senator DIXON. I thank the Senator, and I sense that the Congressman and Mr. Smith and the gentleman we are supposed to deal with in this room agree with that statement.

I can assure you that we will pursue assiduously our course now, and I feel entirely assured that everything we want will now be made available to us as of this moment, all of which has not been available to us until this moment.

Mr. EDWARDS. I do not think in fairness that I can put Mr. Bryan on the spot in which you have now put him. He is not in a position to declassify material until the Pentagon declassifies it.

So I hear what you are saying. I am sure Mr. Bryan hears what you are saying. But until the Defense Department declassifies material, Mr. Bryan is not permitted to do it.

Senator DIXON. I have been given a notice that my time has expired before we have discovered anything. May I respectfully address the Chair on behalf of my colleagues from California and Arizona and others who feel equally maligned by what has transpired so far to ask whether at some moment before March 15, which is the drop dead date, this being the day before we are going to go on a break and will not return until April 1, whether we will some day receive raw data and other things that we can usefully employ to get at the truth?

We have not had one word of that yet, and I say that with the utmost respect for everybody involved in the process.

Chairman NUNN. Senator Dixon, you make a good point. We have already done that. We have been in touch from the committee with the Department of Defense. We have made these requests. We have asked that they declassify every single thing that could be declassified.

The raw material has been available. It is not right here, but it has been available, and a lot of it is classified. You make a good point.

Senator Warner and I will be delighted to make a formal request tomorrow morning to the Department of Defense. We will be glad to get your help as well as the Senator from Arizona and the Senator from California and others in drafting that so that we can make it abundantly clear we want all of the information possible not only available but to the extent possible in unclassified form.

That request has been done already. It is not like it has not been done. We have already made that request.

Mr. EDWARDS. May I say to the Chair you have the full support of the cochairman of the Commission.

Senator DIXON. May I say, Mr. Chairman, that somewhere along the process I want to go through my charts. I recognize that I am out of time right now.

Chairman NUNN. We will come back for another round.

Senator DIXON. I thank the Chair.

Senator MCCAIN. Mr. Chairman, may I thank the chairman and the ranking member for making that request. We appreciate that very much. Mr. Chairman, I would ask unanimous consent that certain correspondence between me and the Secretary of Defense be made a part of the record?

Chairman **Nunn**. Without objection, it will be made part of the record.

[The information follows:]

U.S. Senate,
Committee on Armed Services,
Washington, DC, January 18, 1989.

Hon. Frank C. Carlucci,
Secretary of Defense,
Washington, DC.

Dear Frank: As you know, I have been a strong supporter for base closures and realignments as a means to help eliminate unnecessary costs in the defense budget. At the same time, I am concerned about the methodology and data that have been used in making some key realignment decisions affecting my state. In particular, I am concerned about the decision to move the Information Systems Command (USAISC) from Fort Huachuca, Arizona to Fort Devens, Massachusetts.

Attached is a list of the major questions and issues that have been raised regarding this decision, and which I would like you, the United States Army, and the Commission to address. I would like a comprehensive and detailed answer to each of these questions. The movement of USAISC will have a tremendous impact on the people of Arizona, and I must be absolutely certain that there is an overwhelming case for the move before the hearings on the base closing bill. Accordingly, I would appreciate a response within 2 weeks.

Sincerely,

John McCain,
U.S. Senator.

U.S. Senate,
Committee on Armed Services,
Washington, DC, January 31, 1989.

Hon. Frank C. Carlucci,
Secretary of Defense,
Washington, DC.

Dear Frank: I wrote you on January 18, to express my deep concern over the decision to move the Information Systems Command (USAISC) from Fort Huachuca, Arizona to Fort Devens, Massachusetts.

At that time, I attached a list of the major questions and issues that have been raised regarding this decision, and requested a response within 2 weeks. I have since been provided further information by Brodie Farquhar, a staff writer for the Sierra Vista Herald. I find this information to be particularly disturbing, particularly because I gather that some of the other calculations of the Base Closing Commission are now under study by the GAO.

These new questions about the validity of the Commissions recommendations are serious enough, but I am also concerned by a number of news articles printed in Massachusetts that claim the decision to move USAISC to Fort Devens was subject to political influence. I gather that the staff of the Base Realignments and Closures Commission is aware of these articles, but if it is not, I will be happy to provide them.

I would be grateful if you would ask your staff to fully investigate both the data provided by Mr. Farquhar, and the various press articles relating to the possible use of political influence, and deal with these issues in your reply. I think we are all prepared to make sacrifices for a more efficient and less costly defense posture, but it is absolutely essential that any decision with such a heavy impact on our servicemen and the citizens of Arizona should be based on valid data and be totally free from political pressure.

Sincerely,

John McCain,
U.S. Senator.

Assistant Secretary of Defense,
Production and Logistics,
Washington, DC, February 10, 1989.

Hon. John McCain,
U.S. Senate,
Washington, DC.

Dear Senator: This is in response to your letter to Secretary Carlucci concerning the consolidation of the Army Information Systems Command. As you know, the Secretary of Defense chartered the Commission on Base Realignment and Closure to study issues surrounding base closures and to recommend bases for closure and realignment. The Commission's charter required it to review all installations in the United States, its commonwealths, territories, and possessions. When developing the guidelines under which the Commission would operate, the Secretary and Members of Congress agreed that the Commission should be nonpartisan and independent in nature. Secretary Carlucci took great care to ensure this independence.

On December 29, 1988, the Commission transmitted its report to the Secretary of Defense and Armed Services Committees. In the report, the Commission recommends the consolidation of the Army Intelligence School at Fort Huachuca and the Information Systems Command at Fort Devens stating that these consolidations will improve the mission effectiveness and efficiency of both functions.

Secretary Carlucci, after reviewing the report and all available information, has approved the Commission's recommendations, in total, pursuant to Public Law 100–256.

The Department of Defense has no reason to believe that the Commission, or any member thereof, had other than the best interests of the taxpayers and our national security in mind when making these recommendations. Commissioners were selected based on their outstanding records of public service and broad backgrounds in government. We have every reason to believe that they carried out their duties with integrity, and we are not aware of any personal contacts between Commissioners and members of Congress or staff regarding Fort Devens. Members of the Commission and staff visited several bases, including one visit to Ft. Devens, for the sole purpose of validating the information given to the Commission by the Services. No significance should be given the fact that a visit was made to one base and not to another.

Many of the questions attached to your letter concern the information and data used by the Commission at its recommendation to realign the Intelligence School and the Information Systems Command. The Commission files on Forts Huachuca, Meade, Devens, and Holabird are being forwarded under separate cover for your review. I hope these files will answer many of your questions.

Fort Huachuca, Fort Mead, Fort Devens, and Fort Holabird were examined together as one system because the opportunity existed to consolidate the three Army mission areas of Intelligence, Information Systems, and Criminal Investigations which were disbursed at these locations. Activities at Fort Belvoir, Fort McPherson, and Fort Monmouth were also included for the same reason.

The relocation of the Information Systems Command from Fort Huachuca will vacate facilities which can then be adopted for use by the Intelligence School elements relocating from Fort Devens, and vice versa. Because the incoming activities can utilize facilities vacated by the outgoing activities at both locations, it will cost less to construct or renovate facilities at the gaining installations for the incoming activities.

Regarding compensation and aid to employees, a detailed analysis is in process to determine the rights of individuals at all affected installations. The results of this analysis will be included in an Army pamphlet to be made available in the spring to each affected employee at the installations involved in realignment or closure actions. It is too early to determine with certainty what options will be available for early retirement. Services to retired military personnel and their families will essentially remain the same at both Fort Huachuca and Fort Devens after the relocations have been completed.

Implementation planning is just getting started, and it is premature to discuss implementation schedules at this time. Final plans are not expected to be completed until early fall. The Base Closure Act specifies that no personnel movements can be initiated to implement the realignments or closures before January 1, 1990.

You also asked for a copy of a recent study by the Information Systems Command which evaluated the relocation of the Command from Fort Huachuca to Fort Devens. We have requested the Army to provide you a copy of the study which we understand was prepared some time ago by the Information Systems Command.

Finally, we are in receipt of your January 31, 1989, letter and are working to answer your additional questions, as well as questions 5, 6, 13, and 16 from your first letter.

In conclusion, the Department of Defense believes that implementation of the Commission's recommendations will improve the national defense and reduce its cost through a more efficient base structure. I understand your concern, but I also hope you can support this important initiative.

Sincerely,

WILLIAM H. PARKER III, P.E.
(for Jack Katzen, ASD(P&L).

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, DC, February 13, 1989.

Acting Secretary WILLIAM H. TAFT IV,
Office of the Secretary of Defense, Room 3E944, The Pentagon, Washington, DC.

DEAR WILL: I have received a letter from William H. Parker of ASO (P&L) in response to my letter to Secretary Carlucci of January 18, 1989, about the proposed move of the Information Systems Command for Fort Huachuca. I understand from his letter that the Department is still working on a reply to both my original letter and a follow-up letter of January 31, 1989, which raised serious questions about the validity of the data furnished to the Commission on Base Realignment and Closure.

It is useful to have Mr. Parker's reassurance that he believes that no political pressure was brought on the Commission regarding Fort Devens. I am deeply concerned, however, that Mr. Parker's letter fails to provide specific answers to any of my questions, and that the data he refers to raises far more questions than it answers.

The people of Arizona, like the people of any other state, have a right to know the basis on which the federal government takes action that affects their lives. They have a right to free and open disclosure, and to the kind of open government that has been pledged by President Bush. In this case, however, repeated efforts by the Arizona delegation to Congress, acting in concert or as individuals, have met a virtual stone wall.

Let me begin with the reference to the Commission files made in page 2 of Mr. Parker's letter. These files are filled with unexplained deletions. I know of no reason that justifies such deletions, and it is striking that there is at least one case where a deletion was not made, and the text strongly indicates that the data furnished to the Commission disagreed with its findings. I have attached the relevant excerpt to my letter.

Mr. Parker refers to files on Forts Meade and Holabird. These files are not provided. Further, no data are provided to explain the complicated trade-offs used to justify the realignments from Fort Huachuca to Fort Devens except for a single sheet.

This sheet, which I have attached to my letter, suddenly appears on December 14, without a single prior worksheet or piece of information to indicate that the Commission had ever considered moving the Information Systems Command as part of a complex set of trade-offs. This sheet also shows that the actual trade-offs used to justify moving the Information Systems Command to Fort Devens included Fort Belvoir, Fort Monmouth, and Fort McPherson, as well as Fort Huachuca, Fort Devens, Fort Meade, and Fort Holabird. Further, the sheet does not even mention Fort Holabird.

Further, this sheet implies that the Commission actually used a far different set of calculations than the ones reflected in pages 67–89 of its report. It also implies that the Commission either was working with different data on December 14 than in its final report, or made a serious typographical error in reporting the manpower to be moved from Fort Huachuca. The data sheet shows 730 military leaving Fort Huachuca and the December 29, 1988 press release shows 799. Similarly, the data sheet shows 1629 military going in to Fort Huachuca, and the press release shows 499. (These figures exclude students.)

It is equally disturbing that the only sheets which describe the rationale for keeping Fort Devens open change radically and inexplicably over time, and that when a rationale for keeping Fort Devens open finally does appear, a sheet dated as late as December 13, 1988, shows that the move to Fort Devens can only be justified on the basis of a payback lasting at least 11 years, and that the marginal one-time savings over closing the base is extremely uncertain. I have also attached this sheet to my reply, and it raises serious questions about whether the Commission actually used its own methodology in this case, or simply adapted the figures to fit its prior conclusions.

Unfortunately, neither the data package or Mr. Parker's letter provides any way to tell what the Commission did or did not do. Both are unresponsive to my questions of January 16. To be specific:

There is no response to my question asking for a comprehensive statement of the events that led the Commission to treat the bases involved as a "system" and there is not even a clear picture of exactly what bases were involved. (Question 1)

There is no response to my question requesting a statement of the specific methodology used to calcualte the cost-benefits involved. (Question 2)

There is only a grossly inadequate response to the question asking for data by base and for the cost-benefits involved, with no data provided at all on the cost-benefits of the moves to and from Fort Huachuca. (Question 3)

There is no response to the request for a sensitivity analysis of the cost-benefits of not moving ISC to Fort Devens, although the Commission could not possibly have taken a responsible decision without such analysis. (Question 4)

The response to my question for a comprehensive data package falls far short of my request and even the information implied in Mr. Parker's letter. There is no answer at all to the second part of the question. (Question 7)

There is not even a preliminary response to the request for a summary of the compensation and aid to be provided to the employees of Fort Huachuca. Is the Department really going to force them to wait until some unknown time in the Spring to provide even minimal warning of how they can plan their lives? (Question 8)

The response to the question on scheduling implies that employees will get no information before this fall regarding moves that could begin as early as January 1, 1990. (Question 9)

There is no response to my question regarding the Commissions treatment of the special cost of moving ISC. (Question 10)

There is no response as to whether and how the Commission estimated there would be any improvement in ISC's operations as a result of the move. (Question 12)

There is no response to the questions relating to the overall impact of the proposed moves on Fort Huachuca, and all the key data in the work sheets have been whited out. (Question 14)

There is no response to the question asking for an analysis by rank and grade of the impact of the move on military and civilian personnel. In spite of the fact that at least four sets of total manpower impact numbers have been issued since the Commission's report. (Question 15)

There is no explanation of why the Commission suddenly reversed the content of all its previous working sheets to include an option to keep Fort Devens open and to my question on this issue. (Question 17).

To be blunt, the Department's response is the very model of a bureaucratic non-response, and it raises growing questions about the overall competence of the Commission in dealing with this issue. This kind of response is particularly distressing because I have talked at length with the citizens of Sierra Vista and others affected by the realignments at Fort Huachuca, and they have all made it clear that they can accept sound arguments based on improving the Army's mission capabilities or making savings in the defense budget.

I believe that the people affected have a right to a fully responsive and detailed reply to my question. More importantly, I believe that the people of Arizona have a right to such a reply. I would like such a reply by February 23, 1989.

Thank you for your personal consideration, and your assistance in helping to shed light on this issue.

Sincerely,

JOHN MCCAIN,
U.S. Senator.

RESPONSE

(Information submitted in response to letter dated Feb. 13, 1989 by Senator John McCain.)

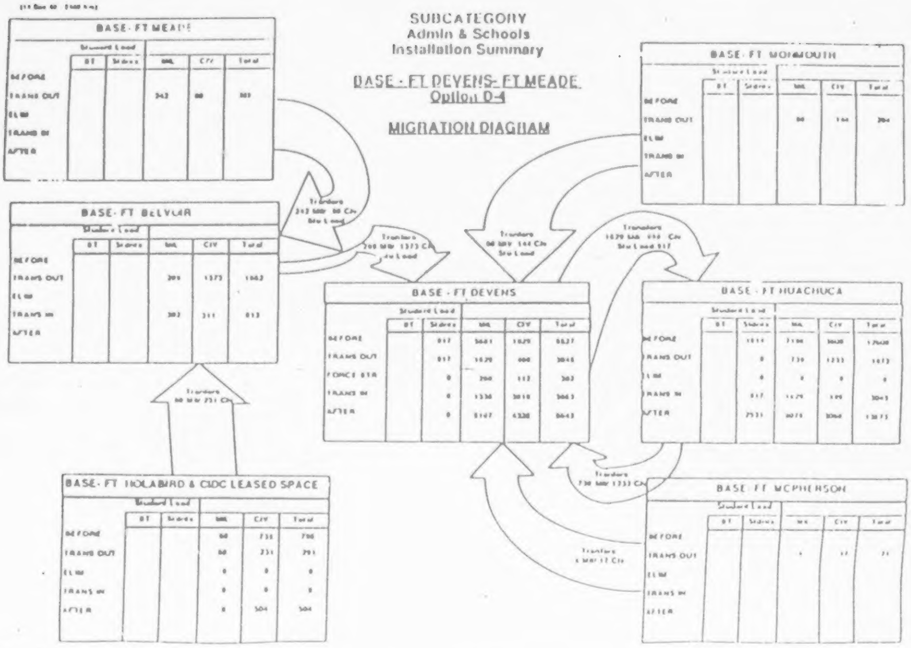
g. The U.S. Army Information Systems Command (USAISC) commands the installation, which also serves as the site for that Major Army Command's headquarters. USAISC was formed in 1984 by the merger of several existing commands, principally the Communications Command and the Computer Systems Command. The USAISC requires operations at more than 1400 facilities worldwide in an around-the-clock information processing and transfer network, including computer systems, telephone services, satellite terminals, microwave radio and a vast array of other information services.

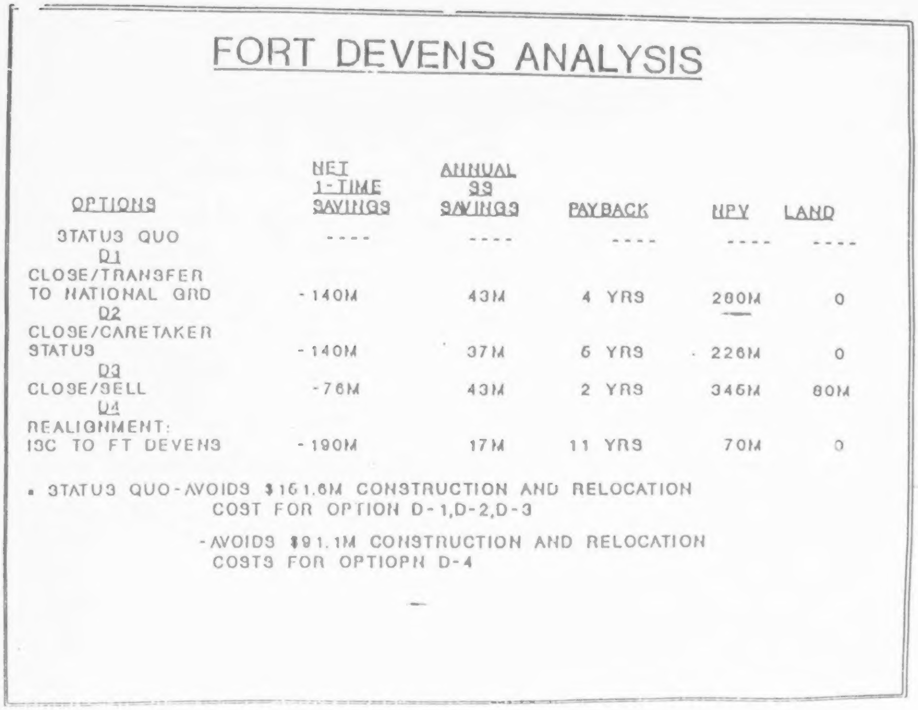
h. The need by USAISC to interface with HQDA was complicated for years by the command's location at Fort Huachuca; however, several studies over the years indicated that the advantages of the stationing at Fort Huachuca outweighed the costs of TDY and telecommunications involved. The existence of video teleconferencing facilities at HQDA, Fort Huachuca, and several other MACOMs has now greatly improved intercommunication among the widely dispersed DA elements. More video teleconferencing installations are planned for the future.

SUBCATEGORY
Admin & Schools
Installation Summary

BASE - FT DEVENS- FT MEADE
Option D-4

MIGRATION DIAGRAM


BASE - FT MEADE
BASE - FT BELVOIR
BASE - FT MONMOUTH
BASE - FT DEVENS
BASE - FT HUACHUCA
BASE - FT HOLABIRD & CIDC LEASED SPACE
BASE - FT MCPHERSON
Student Load
BT
Students
Mil
Civ
Total
BEFORE
TRANS OUT
ELIM
FORCE STR
TRANS IN
AFTER
Transfers
Stu Load



FORT DEVENS ANALYSIS

OPTIONS	NET 1-TIME SAVINGS	ANNUAL SS SAVINGS	PAYBACK	NPV	LAND
STATUS QUO	----	----	----	----	----
D1 CLOSE/TRANSFER TO NATIONAL GRD	-140M	43M	4 YRS	280M	0
D2 CLOSE/CARETAKER STATUS	-140M	37M	5 YRS	226M	0
D3 CLOSE/SELL	-76M	43M	2 YRS	345M	80M
D4 REALIGNMENT: ISC TO FT DEVENS	-190M	17M	11 YRS	70M	0

- STATUS QUO-AVOIDS $161.6M CONSTRUCTION AND RELOCATION COST FOR OPTION D-1,D-2,D-3

  -AVOIDS $91.1M CONSTRUCTION AND RELOCATION COSTS FOR OPTIOPN D-4

DEPUTY SECRETARY OF DEFENSE,
Washington, DC, February 27, 1989.

Hon. JOHN MCCAIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR: Thank you for your letter of February 13, 1989, requesting a review of the procedures and rationale that led the Defense Secretary's Commission on Base Realignment and Closures to recommend relocating the Information Systems Command (ISC) from Fort Huachuca to Fort Devens.

From the Department's perspective, we are acutely aware of the impacts that the proposed realignment will have on individuals and communities. The Department and the Army are fully committed to doing all we can to assist both individuals and communities, and to provide their representatives in Congress with all available information.

By agreement with the Chairman of the Armed Services Committee, the Department has made available to the Congress the complete files maintained by the Commission, which should help answer many of your questions. A copy of that agreement is attached. Additionally, the General Accounting Office, in response to the Armed Services Committee, is presently reviewing the Commission's work and expects to testify before Congress on the results of this review.

The Army is working to develop the detailed and complex plans necessary to effect this realignment but that planning process is not nearly complete. As soon as solid information is available all parties will be rapidly informed. As we see it today, it doesn't seem possible that ISC will move much before FY 1991. With regard to the exact number of personnel moving, I have asked the Army, as a part of its planning process, to provide the exact number of personnel involved.

As you know, Congress charged the Base Closure Commission with the responsibility of recommending base closures on an "all-or-none" basis to guard against the process being politicized. Likewise, both Congress and the Department agreed that the Commission should be non-partisan and independent. Secretary Carlucci took great care to ensure this independence.

Consequently, the Commissioners themselves are best suited to provide an in-depth explanation of the collective decision-making process, and the Co-Chairmen have made themselves available to testify before you and your Armed Services colleagues, in large part, to do just that. However, because of our desire to be as forthcoming as possible, we would endeavor to have Department of Defense personnel sit down with a member of your staff to help research full and complete answers to your numerous questions. The complete Commission files are available for review by your staff at the Commission's office, 1825 K Street, NW. An appointment can be made by calling 653-0180.

If there is anything else we can do, please let me know.

Sincerely,

WILLIAM H. TAFT IV.

101ST CONGRESS
1ST SESSION

S. J. RES. ____

IN THE SENATE OF THE UNITED STATES

Mr. McCAIN introduced the following joint resolution; which was read twice and referred to the Committee on ____________________

JOINT RESOLUTION

Disapproving the recommendations of the Commission on Base Realignment and Closure.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress disappproves the recommendations of the Commission on Base Realignment and Closure established by the Secretary of Defense as submitted to the Secretary of Defense on December 29, 1988.

Senator **Dixon**. May I add that my Chair and ranking member have indicated that my subcommittee can do some of the follow-up work that will require the development of the raw material. Those hearings will begin on April 4. It would be a great accommodation to my colleagues and friends from California and Arizona and this Senator if the material could be available prior to April 4. At least one of those two still serves on my subcommittee.

Chairman **Nunn**. We will be glad to do everything we can to work toward that goal.

I believe Senator Coats is next.

Senator **Levin**. Would the Senator yield for a clarification of the last point? Is my understanding correct that we are going to receive all of the classified information and, in addition, an unclassified version of as much of that classified information as can be declassified?

Chairman **Nunn**. The Senator is correct. I will have staff correct me on this, or perhaps staff could tell us what has already been made available.

Mr. **Bayer**. The transcripts of the closed Commission hearings, Mr. Chairman, have already been made available to us. They are all classified, however. There are some 2,000 pages of documentation.

Senator **Dixon**. You see, Mr. Chairman, I am not trying to be a smart aleck here, but if anybody would read these secret reports—may I have them again? This is the dullest reading in town. There is absolutely nothing in this. If anybody in America can read this and be shocked, I am amazed.

So the point I am making is how can this be classified? Somehow we have got to determine how we can use this. I do not think you cannot just put a red sheet on something and then stop the whole Congress from doing business.

Chairman **Nunn**. You make a good point, Senator. Senator Warner and I will make what has already been an informal request formally tomorrow morning.

Senator **Dixon**. I thank the Chair.

Chairman **Nunn**. I would say we perhaps could take it up with the nominee, Mr. Cheney, tomorrow morning immediately before the vote. I believe that would be a very appropriate point in time. [Laughter.]

Senator **Dixon**. The timing would be exquisite.

Chairman **Nunn**. I would think he would be responsive.

The Senator from Indiana.

Senator **Coats**. Thank you, Mr. Chairman. I also want to thank the Commission for their work and add my voice to the list of those who feel some frustration about the ability to get answers to some specific questions.

I will limit my time here under the understanding that I can work with your staff and submit questions to you and seek detailed information relative to a facility in Indiana that is on the list, Jefferson Proving Grounds.

We have attempted to work through a number of entities and agencies to try to get answers to some very specific questions that have been raised relative to the mission requirement of JPG, relative to the closing cost estimates, environmental concerns and follow-up action on the part of DOD and other agencies should the closing take place.

I specifically am concerned about a discrepancy that we received in closing cost estimates. The Commission estimated closure and relocation costs at $51.7 million, but in his testimony before the House Armed Services Committee on March 1, Robert Stone, the Assistant Secretary of Defense for Installations, placed the cost at $112 million.

I am interested in reconciling the difference here and finding out what the situation is. I am asking the question, I guess, has the Commission looked at this? Have you attempted to reconcile this, or is this something you want to get back to me on?

Mr. SMITH. Senator, if I may, I suspect the differences may be in the cost of environmental cleanup.

Senator COATS. No, this is separate from environmental cleanup.

Mr. SMITH. We will have to research it, because that is the only thing that comes to mind that could cause a discrepancy. We did not consider the cost of environmental cleanup, per se. We assumed that was going to have to be done regardless of whether you closed it or not, and that would be done through a matter of course through the installation restoration program.

Senator COATS. I understand that. I will submit information to you relative to the closure cost estimates apart from the environmental cleanup.

Mr. EDWARDS. I have an answer from the staff. You heard the testimony of Mr. Stone. He says that his estimate was cost only. It was not a net number.

We in our report talked in terms of what it would cost to move, what you could get from selling a piece of property and all the other things that go into the transaction to come out with a net figure and that Mr. Stone's figure was simply a gross or cost-only figure.

Senator COATS. So is the Commission standing by its $51.7 million figure?

Mr. EDWARDS. Yes, we stand behind our report. In dealing with GAO and talking to GAO and in critical observations about our report, we have not found any material differences in what we have seen in our report. GAO has generally given us a rather clean bill of health. We do not hold these numbers out as budget quality numbers, but we do stand behind our report because of the way we came up with our numbers.

Senator COATS. Well, I just want to point out that the TECOM, Army Test Evaluation Command, revised the closure cost estimates on October 27, 1988, estimating closing costs at $95.8 million, which would require 17 years amortize based on the $5.6 million annual savings.

So I think we have some real differences here as to just what they are, and I would be happy to work with your staff to try to reconcile those.

I guess the point I want to make is that it is important to get these answers. The people in the community want to know why their base is on the list. They want to know what the cost is, what the factors were in deciding the estimates, and when they get two or three different estimates from two or three different agencies, why, it makes it difficult for us to answer their questions.

Mr. **Edwards**. All we ask is that if you bring numbers, you put those numbers through the same process that we did. Scrub them in the same way we did. We went to the major commands for our basic information, feeling that they could then look at all of those installations under their command and make sure that they were all given the same method by which numbers would be put together.

So I think if you come in with numbers that appear different from a lesser command that you should apply, put those numbers through the same process in order to make the comparison.

Senator **Coats**. Well, I will be happy to work with you on that.

That brings me to my second point, and that is environmental concerns. I understand that these were not taken into consideration in determining the annual cost savings.

We have a somewhat unique situation at Jefferson Proving Grounds in the fact that over a many-year period of time there has been about 23 million shells fired there. In fact, a GAO report indicated that of the 55,000 acres available at Jefferson Proving Ground, only 2,700 are not contaminated. Thirty-five thousand are heavily contaminated, another 4,000 lightly contaminated. Most importantly, there are some depleted uranium rounds that were fired there.

So while you did not look at environmental costs because environmental cleanup has to be done anyway, we are still talking about a cost to the taxpayer, and in this case some of the estimates are staggering. They run into the billions, tens of billions of dollars.

Now, I do not know what those true costs are. Currently, there is some independent analysis going on there. I am just wondering how do we justify a $5 million annual savings if we are looking at potentially billions of dollars of cleanup cost?

Mr. **Edwards**. We justify it on the basis that where you have an abundance of activity and more than the number of bases you need that by putting that activity on fewer bases, you basically save money.

So military value was, as I said earlier, at the heart of our activity, and while we were not unaware of environmental concerns, we did not feel that that should deter us from trying to go about the job that was given to us.

Senator **Coats**. Well, let me just state, Mr. Chairman, that I have a number of specific questions I would like to submit to the Commission and have their staff respond. I think they are very important questions to which I need the answers in order to make a correct evaluation.

I would also like to place in the record a statement of the senior Senator from Indiana relative to this same base and ask unanimous consent.

Chairman **Nunn**. Without objection.

[The prepared statement of Senator Lugar follows:]

Prepared Statement of Senator Richard G. Lugar

MILITARY BASE CLOSURE COMMISSION RECOMMENDATIONS

Jefferson Proving Ground

The appropriate rationale for supporting the Base Closing Act last year was that it resulted in greater efficiency of tax dollars without a loss of defense capability or readiness for wartime mobilization. After carefully studying the information in the report of the Presidential Commission, however, several questions remained about the decision to close Jefferson Proving Ground (JPG).

There are several factors that may not have been considered prior to the Commission's decision. Department of Defense studies have shown that JPG is a faster and more efficient testing ground than Dugway and Yuma Proving Grounds, where JPG's workload would be transferred. Located amidst a favorable labor market, JPG is said to be the only proving ground currently capable of high-volume testing during wartime mobilization. And it is centrally located to the dozens of munitions-production sites, thereby saving immense transportation costs.

I have also seen staggering estimates of *billions* of dollars in environmental clean-up costs that the Defense Department will supposedly bear if JPG is closed. I understand that the Commission made a cursory review of environmental impact, but viewed the issue as "sunk" costs that the Department would eventually have to absorb anyway at some point in the future. My concern is that such reasoning—combined with the above comparison of testing facilities—may lead to failure in achieving our original goal: saving tax dollars without diminishing defense.

I addressed these questions and others in a Dec. 8 letter to the Commission and Secretary Carlucci—before the Commission released its report. I have asked the Environmental Protection Agency and the Army Toxic and Hazardous Materials Agency for help in assessing severe environmental consequences and their associated costs. I have also urged the General Accounting Office to investigate how this closure decision was made and what data it was based on.

Thank you for attending these important hearings. I am sure you agree that serious decisions such as those to close and realign our domestic military bases must not be taken lightly. I look forward to your response to the issues I've raised and to the responses of the agencies I have contacted.

Senator Coats. I would also like to say hello to my former colleague from the House, Mr. Edwards.

Mr. Edwards. I am happy to see that you found another pasture here that you thought was greener.

Senator Coats. I thought it was greener until we found out about Jefferson Proving Grounds.

Chairman Nunn. Thank you, Mr. Coats.

Senator Exon.

Senator Exon. Thank you very much, Mr. Chairman.

I want to tell you when I first heard about this proposition we all assumed that we would have a meeting like this sometime later. Secretary Carlucci called a few of us in one morning a while back. I believe it was the ranking member and the chairmen of the committees and maybe the individual next in seniority who attended. He outlined this plan to us, and I think it was generally assumed it was a pretty interesting concept. He made the point that we were never going to close any bases or anything resembling a base unless we had a system like he had outlined.

He said the point of this is that it is a package that is going to have to be approved by the Department, and then it is going to have to be sent over to the House and Senate. You cannot pick and choose among its recommendations. You either are going to have to reject all of the bases or accept all of the bases that were recommended for closure.

I said at that time to be facetious, of course, those of us who are sitting around this table will be able to object if there is something closed in our particular State. Everyone laughed, and Carlucci said, yes, that is a foregone conclusion.

The reason I want to tell that story is that I want to complement you gentlemen. You are professionals. We know each one of you well. You did a great job, and I am here to tell you that you did a great job. Now, you did not close any bases in Nebraska, so that is a little bit easier for me to say than some of my colleagues.

But had you closed bases in Nebraska, because I am a conservative and because I have been trying to get the budget balanced, I still believe I would have been complimenting you because if there is one thing that any of us know who have ever served on this or any other committee that has to do with national defense, it is that we have been wasting one devil of a lot of money around this country. It is about time that we had people like you to put your nose to the grindstone.

Having said that, I do not mean that all of your judgments were perfect. I do not mean that those who might object should not have the right for the information on which you have based your judgment calls.

I suppose a case could be made, real or imagined, for any base anywhere in the United States. I happen to feel that you did a very objective job. I would like to thank you for the job you did.

I would like to ask you this question. Why not close some of those overseas bases before you close any in the United States?

Mr. **Ribicoff**. My response to that is that was not within our charter that was approved by the Congress. The task we had was continental United States.

Senator **Exon**. In your judgment, Senator Ribicoff, maybe that was not too wise?

Mr. **Ribicoff**. That is right.

Senator **Exon**. A restraint to put on the Commission?

Mr. **Ribicoff**. That is what you did. We had no way and no authority to address that.

My feeling is that not in the too-far-distant future, bases are going to be closed all over the world.

Senator **Warner**. Would the Senator yield? Does the existing law not permit the Secretary of Defense to do that? In other words, there is a framework within which he can do that now, it is my understanding.

Mr. **Ribicoff**. But this Commission had nothing to do with this.

Senator **Warner**. No, the Commission did not, but there is authority reposed in the Secretary of Defense today by the framework of law.

Mr. **Ribicoff**. The Commission did not have authority to address that subject, and it was not given to us.

Senator **Exon**. Let me go to my next question.

Chairman **Nunn**. The difference, for the record, I think is that the overseas bases have no impediments on the Secretary of Defense to close as do the domestic bases; so therefore, the Commission was originated because there were so many impediments set up in the law to preclude or make it extremely difficult for the Secretary to close U.S. bases. That is not the case with overseas bases.

I would, however, certainly concur with Senator Ribicoff and Senator Exon that the overseas base structure needs a careful objective review and inevitably some closing, I would expect.

Senator EXON. I would think it would be a little bit more palatable, politically palatable for some of these Senators who have had bases closed if we had something like that, but that is out of your jurisdiction.

In your review of all of these bases, I am sure you must have covered the Navy's homeporting plan.

You did provide the recommendation to eliminate some of the homeporting programs, did you not?

Mr. RIBICOFF. There were some. Of course, the problem that we had was that we were not going to disturb the force structure that was put in place between the executive branch and Congress. We had problems with the Navy because Congress and the executive branch had authorized a 600-ship Navy.

Now, it was not up to us to say that if you are going to have a 600-ship Navy you have to have places to put it. We could not say we do not think you need a 600-ship Navy. So we had a lot of difficulty, and we had trouble with the Navy. We were very unhappy for a while.

Senator Eagleton sounded off, and I do not condemn him for sounding off because he was disturbed by the lack of cooperation we were getting.

As a consequence, we had former Secretary of the Navy Claytor, who was a member of this Commission, head up sort of a subcommittee to talk with the Navy to go over all of this to see where we could do something on some of the ports to rearrange some of their thoughts and ideas. They did work out a program that was satisfactory.

Keep in mind, however, that in no way were we going to interfere with the force structure because that was policy that was made by the executive branch and Congress, and no way would we have the authority or would we want the authority to interfere with the force structure that you gentlemen have put into place.

Senator EXON. My last question in this round has to do with basically where do we go from here. This is a question on philosophy, but I think the exercise that you have been through that I have already complimented you on gives you some credibility in the area of where do we go from here.

If you were called back in tomorrow and if you would agree to go through this service again, what would you like to see laid down as your guidelines? I am sure that we can agree, as painful as this is, that there is going to have to be more of this streamlining of our military expenditures in the future as we tend to use an ever-shrinking budget to meet the national security needs of the United States.

Mr. RIBICOFF. As we went along in this entire exercise, it became apparent to us that we could not address many of the problems that were involved. We did not have the authority now, so we decided that from what we learned we would make some recommendations that were not binding on anybody. You will find that in chapter 8.

Now, I have some marked up. There is no sense taking your time for me to read what I have, but in chapter 8 of this report we make recommendations for the future, and we feel very strongly from what we learned that it would stand this country in great stead, and here we need close cooperation between the Defense Department and the proper committees in the Congress of the United States. A lot more could be done for the betterment of this entire defense posture.

Senator **Exon**. I guess that what you are saying, Senator, is that there is a lot more that could be done from your point of view.

Mr. **Ribicoff**. Without question, and it would be more valuable from a military standpoint.

Senator **Exon**. My time is up. Do you have anything to add to that, Jack or Jim?

Mr. **Edwards**. No. I think the Senator expressed it well.

The increased payback time would be very helpful, but our bottom line is that there ought not to be any more commissions; that the Pentagon and Congress ought to sit down and find a way to make this thing work the way it should work.

We are a product of the frustration of the Congress and the Pentagon over the years, and it ought not to be that way. We have recommended that if the Congress and the Pentagon can get together on a plan, that perhaps there could be an advisory commission of sorts that would kind of look over the Secretary of Defense's shoulder and be able to say to the Congress we have looked at this and we think what he is proposing to you makes sense.

I have been through it. I started off my statement with my base back home, but until the Congress is willing to bite some tough bullets on these issues where you have local people involved and local bases, then it is going to be very difficult for Congress to ever face up to the problem.

Mr. **Ribicoff**. The urbanization of America has been so rapid that, frankly, we do not have the military bases to properly train our armed services. The Soviet Union can put multiple divisions maneuvering together because they have such a land mass. Germany and England no longer have that. They have to lease land from Canada to go over to train their people. We have almost reached the stage where we are going to have to make a deal with Canada to use some of their land to train American troops.

So we have so many obsolete bases, and we are not giving our military a fair shake with what we have now. The time has come to really be very serious about it. What sort of bases do we need for the future? Right through our report there are some suggestions of what can be done.

May I make a personal comment? For 50 years beginning in 1938 when I was first elected to the Connecticut State Assembly, I have been involved in committees and commissions, in reviews, in boards, in public and private matters, and I have created my share as Governor and Secretary of Health, Education and Welfare.

I have never worked with a commission or a group that is as qualified as the Commission that was set up under this legislation. Let us just see what we have on this. We have a former Secretary of the Navy and a Deputy Secretary of Defense. We have a former general counsel to the Defense Department and Secretary of the

Army. We have a former general of the Air Force, a former general of the Army, and a former admiral, all retired, all who had significant commands. We had Mr. Smith who was on this Commission, and we had Russell Trane, Mr. Environment. We had four former CEOs of major corporations, and, frankly, we had Jack Edwards. In my opinion I have never worked with a man more knowledgeable or more capable than Jack Edwards. I never knew Jack Edwards until the first meeting we had. Our paths had never crossed.

This was a commission that gave it their all. We all worked hard. We were all conscientious, and we had the knowledge, and I think we did a good job. We gave it the best we could. I don't think any of us ever want to serve on another one again. [Laughter.]

May I make one statement? I am not so sure that creating commissions is the right thing to do because my feeling is that when you do that you abdicate the responsibility of the Congress and the executive branch. If you are going to create them, however, you cannot create commissions and then do nothing about it. They become exercises in futility.

The one thing that I promised myself is half of my time in the private sector is given to pro bono work, and everybody wants me to get involved with something. I made a promise to myself that I will never be involved in anything that is an exercise in futility. If it is something that can work, then I will give it all I have. If you take this, however, and put it on the ash heap, you are going to make it so that no one is going to serve on any commission.

I think what you did took a lot of courage, and we have given it everything we know. We have an outstanding group of men who spent an awful lot of time in putting this together.

Senator EXON. Thank you, gentlemen.

Thank you, Mr. Chairman.

Just let me say, Governor Ribicoff, and I use that advisedly, let us not criticize commissions too much because I imagine as Governor both you and I appointed our share of commissions, and I think this one did a good job.

Mr. RIBICOFF. It was different. I will tell you why they worked in Connecticut; because we are a bunch of politicians. When I was elected Governor I was the only Democrat elected. From Lieutenant Governor down was all Republican. The legislature was controlled. The House was completely Republican. It was even, split between the Democrats and Republicans.

Now I had to run that State as a Democrat completely submerged by Republicans, and I appointed commissions but I was very careful to make them overwhelmingly Republican. I told every commission that I appointed, whatever you come out with as Governor I will fight for. You can rest assured that I will rally the people of the State behind you. I am giving you a blank check for anything you want to do.

There was not a single person in the State of Connecticut who I asked to go on a commission that refused me. These were the captains of industry, the banks, the insurance companies, the labor unions. They knew the Governor was going to stand in back of them.

When you appoint commissions and do not stand in back of them, however, people are not going to want to serve on them. That is the only way you are going to do this, and that is why it is important if you want your commissions that you appoint in the future to mean something, you get the best people, and you are going to have to stand in back of the people you appoint.

Chairman NUNN. Senator Wilson, I think Senator Thurmond would like a brief yielding, and I will not take it out of your time.

Senator THURMOND. Thank you, Mr. Chairman.

I am a little hoarse, so maybe it will be hard to hear me. I just want to take this opportunity to compliment you on the fine job you did. I think this Commission was composed of some of the finest men in this country. I fully believe they went about it in an unbiased way and did as good a job as any commission could have done.

I had the pleasure of serving in the Senate with Senator Ribicoff, and I recall what a fine job he did there, and what a fine job Jack Edwards did in the House. In fact, in 1964 when he was running, I had the pleasure of speaking for him at that time, and I always felt some pride in helping to bring such a good man to the House.

Jim Smith did an outstanding job on this committee. He has now gone on to greener pastures and, I understand, doing a great job with one of the outstanding engineering companies in America.

So we are proud of you all and what you did. I guess it is impossible for everybody to approve of everything, but as a whole I think the American people appreciate what you did. I just want to tell you that as far as I am concerned I am very pleased with the actions you have taken.

Senator WARNER. Mr. Chairman, if Mr. Wilson would yield, I would like to associate myself with the remarks of my distinguished colleague and senior Republican. I, too, have had the privilege of serving with Senator Ribicoff and Congressman Edwards. Jim Smith, you know well my respect for you.

Thank you, gentlemen.

I will have one question for the record, Mr. Chairman.

Chairman NUNN. Senator Wilson, you will now get your full time.

Senator WILSON. Thank you, Mr. Chairman.

Mr. Chairman, I also agree that Senator Ribicoff, whom I am delighted to see again, and Congressman Edwards and Jim Smith—I must say that about this point I think that they may recall the words of another distinguished former Member of the Congress also from Connecticut, the late Claire Booth Luce, who once observed that no good deed goes unpunished. I hear a little frustration in Abe's voice, and I can understand that.

I have a statement that I would ask be inserted in the record. The thrust of it, to summarize, is that because of some of the constraints that were placed upon you, the savings are less than I think might have been expected and hoped for.

The fact is there were limits upon you that you were to take. One of the questions that has come up really does relate to the prospect of the closure of foreign bases, and I was particularly struck by the comments that Senator Ribicoff made about some of our NATO allies who have been compelled to deal with Canada in order to find training grounds for exercises and the admonition that he has offered that we had best be careful or we may find ourselves to engage in similar negotiations.

I think he makes a very good point. I think back to the fact that in the mid-1970s we closed Fort Irwin or closed it earlier than that and then had to reopen it at a time when it seemed necessary to the Army that we have a national training center.

So I think that one of the things that we need to be concerned with as recipients of the work of the Commission is whether or not we have taken adequate account of the need for training areas. We may very well face the prospect of foreign bases being closed, we may have a great need for both land area and air space in this country for the kind of training exercises that will necessarily be a part of our national security.

[The prepared statement of Senator Wilson follows:]

OPENING STATEMENT BY SENATOR PETE WILSON

Thank you, Mr. Chairman, and I wish to express my appreciation to Senator Ribicoff and Representative Edwards for appearing before the committee this afternoon. The most important task that Congress and the Defense Department assigned to the President's Commission on base closure and realignment was to identify outdated and obsolete facilities that no longer served a legitimate military function. Many officials in Washington, however, confused this purpose with the very different aim of trying to achieve the maximum possible savings at any cost. A reliance on cost reduction as the dominant standard for identifying excess or underused bases could erode our defense preparedness, undermine training and deployment activities, and result in potentially vulnerable concentrations of our overall forces.

In releasing its recommended closure list last December, the Commission stressed the fact that it produced 5.6 billion dollars worth of cost reductions over twenty years. Yet this achievement amounts to an insignificant gain for the taxpayers because it means that the base closure list, if fully implemented, would save the American people over two decades less than 2 percent of what the Federal Government now spends on the military in one year.

The charter also instructs the Commission to evaluate the "future mission requirements" of a base in question. This provision similarly is a warning against excessive emphasis on budget savings at the expense of a military installation's long-term significance to our national security needs. In the 1970's for example, Fort Irwin in California was closed only to be re-opened several years later when the Army needed a national training center. It remains vital that a higher priority be given to DOD's readiness capability and evolving strategic requirements rather than purely cost considerations. We should exercise the greatest caution in disposing of real property and the air space above it which may be critically needed in the future if, for example, we withdraw from some of our overseas bases.

I plan, Mr. Chairman, to carefully evaluate the work of the Commission during these hearings. Preliminary studies conducted by the Congressional Budget Office and the General Accounting Office already conclude that even the modest savings projected by the Commission may be too ambitious because of a failure to account for several economic adjustment and environmental cleanup expenses involved in the process of closing a base. I am most interested, then, to investigate whether the Commission eliminated truly wasteful military spending while preserving a necessary U.S. military capability.

Senator **WILSON**. Let me focus upon a couple of questions that relate to the Presidio. Mr. Smith has doubtless recalled as well why it was that he was pleased when his service year was concluded. Let me ask this question.

With respect to the Presidio, one of the missions of the 6th Army which is currently headquartered there is to assume the role of a joint command during a war to preside over the mobilization and deployment of CONUS-based forces. Its military value was the basis for the decision rather than cost savings on whether the base should be closed or not.

Given the fact that 37 percent of the 6th Army's units are in California and 50 percent is west of the Rockies, what is the military value of moving a major headquarters away from its subordinate units and away from the location in which it must operate during mobilization and war? Your recommendation is to move it to Fort Carson.

Mr. **Edwards**. If there was any one group of facilities that we looked at more than others, it was the group of headquarters operations of various forts around the country.

One thing that became very clear to us is that Army headquarters for all practical purposes can be almost anywhere and that in this particular case, Fort Carson was in our judgment the appropriate place to be.

We also looked at the fact that Letterman Army Medical Center met almost no code specifications, and it needed major structural repairs; that there was another hospital, a Navy hospital, across the bay.

We weighed all of those things, including the fact that only about 36 acres of this property could probably be disposed of, and that apparently is subject to a lease between where the city will end up with it for 10 years, if I understand it right.

On the whole, we concluded that the work of the 6th Army could be done just as well on a regular base as it could there.

Mr. **Ribicoff**. I think I would like to add a few things. I have some notes on it because I know how concerned you are, Senator Wilson, just to give you some of the conclusions we reached.

There was no capability to expand. The Letterman Army Medical Center is in need of major structural repair. Letterman does not meet seismic standards. There are statutory restrictions that preclude any new construction in the Presidio. The mission and its tenants can be relocated.

It is located on high value property, and relocation would reduce operating costs. My personal opinion is the high value property is not going to be sold.

My personal feeling is I love San Francisco. It is a great city, but I would say that it ought to be part of a national park, and I am not worried that we will not be paid back any money. I do not think it will.

You are building so many buildings, however, spoiling those beautiful views in San Francisco that the time has come to try to save some of your natural heritage, the great views you have in San Francisco. I have nothing to do with it, but it would be my hope that it becomes part of Golden Gate Park, and that would be the best use of the Presidio. This is my personal feeling, not a recommendation from the Commission.

Senator **Wilson**. Let me ask whether or not consideration was given to the fact that there are 1,300 units of family housing here at the Presidio, and the Navy has a deficit of about that same amount of family housing in the Bay Area.

Is it cost effective to close the Presidio when the Navy needs that family housing anyway, especially when you consider the fact that the cost of operating housing at the Presidio is far less than the cost of the same number of personnel living on the economy in the San Francisco area? It is a very high rental market.

Mr. EDWARDS. I guess the quick answer to that question is that on substantially all of the property of the old forts there are some magnificent old homes that are enjoyed by the generals and the high ranking members of the Army. There are golf courses and things of that nature.

When looking at all of that and considering all of that, it seemed to us that housing of a different sort is needed. Now, I am not suggesting that everything on the Presidio is made up of old historical large homes, but we felt that there would be better ways to house the folks than there.

Chairman NUNN. Senator Wilson, I think your time has expired.

Senator WILSON. Mr. Chairman, it has. Did you say we were going to have a second round?

Chairman NUNN. Yes.

Senator WILSON. Fine.

Chairman NUNN. Senator Shelby.

Senator SHELBY. Thank you, Mr. Chairman. I will be brief.

Senator Ribicoff, Congressman Edwards, Mr. Smith, I know you had a tough job. I want to associate myself with the remarks of Senator Thurmond and others who have commended you for what you have done. It was a thankless job, but we want to thank you. You are not going to please everyone, whatever you do. We realize that.

I hope this is just the beginning, whether we create another commission, which I know you do not want to serve on, or whether we meet that responsibility here in our committee working with the rest of the Congress and the executive branch.

Senator Nunn, our chairman, used the word "impediments". I thought that was well chosen. There are certain political impediments, as both of you and Congressman Edwards know, Senator, to closing bases, but it is our responsibility, and maybe this will shed some light on what we need to do because it has been a dry season.

Thank you, Mr. Chairman.

Chairman NUNN. Thank you, Senator Shelby.

Senator Dixon.

Senator DIXON. Thank you, Mr. Chairman.

Gentlemen, I would like to show you some graphs here. The first graph is a diagram that shows the Commission's utility value for Chanute, which our research shows is based upon inaccurate data.

All right, the second diagram shows the extent of inaccurate data used for the analysis. You see there the Commission figures and the actual Chanute figures provided to me by the commanding general at Chanute Air Force Base. The first graph that I showed you was the method by which you rated Chanute last on the list of the six bases on what we contend is inaccurate data.

May I show the third graph now? This information we believe makes it clear that the Commission's figures do not match what is available at the base. In particular, I call your attention to the bachelor housing figure provided by Chanute which exceeds Air Force requirements and the medical/dental figure provided by Chanute which is substantially larger than the number used by the Commission.

Now let us look at the fourth chart. We say the facts clearly demonstrate that Chanute gains 43 points and moves into fourth place when accurate data for bachelor housing is substituted for inaccurate Commission data. If Chanute had been accurately evaluated, we argue, it would not have been the best candidate for closing in its category because as the lowest rated base it would have moved in the position as a candidate for closing from fifth to fourth.

Now let me show you the next one, which is a very interesting one. Here we see an evaluation of medical/dental facilities. Now as an old trial lawyer I find this one to be the most extraordinary thing of all. I think it is quite interesting to note that the requirement for Lowry was 28,841 square feet, and by some miracle available at Lowry was exactly 28,841 square feet. It was not even a round number. I think that is remarkable.

At Goodfellow the requirement was 39,040 square feet, and by a similar miracle exactly that much was available.

Kessler required 401,024 square feet, and exactly that much was available.

Lackland required 1,270,376 square feet, and miraculously precisely that sum was available.

In the case of Chanute, however, where the requirement was 175,792 square feet, only 173,023 square feet was available. So by a little more than 2,000 square feet, Chanute is rated yellow, a lower score than the other bases which received the higher green score.

Now I consider that probably the most remarkable thing I have ever seen in all the years that I have dealt with figures, and I wondered who could dignify that for me.

Could you, Mr. Smith?

Mr. SMITH. I think, Senator, in response to these numbers, if you went to five different sources to get the same numbers you would get five different sets of numbers. The sets of numbers that we used I think were supplied by the Air Force and, as far as we knew, were as accurate as they can be. I have no idea where your set of numbers came from but, as I say, you can get probably five sets of numbers if you ask five different people.

Senator DIXON. Well, these numbers were given to us by the folks who did the evaluation on the scoring system. Do you not understand, Mr. Smith, that ended up, if you will put number one chart on again, placing Chanute in a position where it rated fifth among the five bases by virtue of the numerical analysis placed on it.

We did a reverse engineering process to come to these conclusions. Now, if you apply the correct number even on just bachelor housing, Chanute jumps from fifth to fourth above Lackland. I have no case against Lackland. I am just talking about facts. When you apply this remarkable result in square footage requirements, that is the most perfect and meticulous thing that I have ever observed in an entire career in courtrooms up until this moment.

If you can explain it, we jump into an absolute tie with Lowry and Goodfellow. Would you show that, please?

Now, do you see how impressive that becomes? Now when I talk to my distinguished friends for whom I have the highest personal regard and to you, Mr. Smith, about the fact that until this moment I have had only secret information which is totally valueless, and when I further remark about the fact that I have been given no raw data, and when I further tell you that I have had to find personnel on my own to reverse engineer to get this kind of result, I think you would readily understand how frustrated we are.

What would be your perception of that?

Mr. SMITH. Well, we looked at reams and reams and tons and tons of data and, as I say, what we tried to do was to use a cost model that would take out some of the variances in these data.

Now, if you take all the factors, put them together, put them through our cost model, I think the variances that you have talked about will not change the outcome substantially. The cost savings and the payback period I think will be in the order of magnitudes of what we are talking about.

Senator DIXON. Then I will ask you directly, Mr. Smith, what would be, in your view, the appropriate and proper result if our figures are correct?

Mr. SMITH. I have no way of knowing. You have just shown me a piece of the information that goes to the cost model, and so I have no way of taking what you have given me without many, many other pieces and running it through the cost model.

Senator DIXON. But is it fair to state that the result obtained was predicated upon the model?

Mr. SMITH. No. This was the starting point. Once we got to this point, we then did our cost analysis and ran the cost model to determine what the payback periods were going to be. So this was the starting point for us which says you ought to look at the space, and if you look at this space you have to disperse the mission to these other bases.

We looked on an iterative process what happens if you do this. What this gave us was the end of phase 1, as I recall, of the process. This said you ought to look at this base, and sometimes it was the bottom base. It was the bottom three bases in this array. This just gave us the starting point.

Chairman NUNN. Senator Dixon, your time has expired. I yield my time to you.

Senator DIXON. May I pursue that further, Mr. Smith, to say, first of all when we called the base commission people today they told us that our engineering concept was accurate. Would you have any reason to critically disagree with that statement which my staff was given in a call today that this point system used is an accurate portrayal of how the Commission applied its raw data to a given result?

Mr. SMITH. The cost model is detailed in our report. What we did was in the phase 1 process was to rank the bases so that we had an idea of which bases to take a more detailed look at.

Senator DIXON. If you will forgive me for interrupting, out of consideration for the chairman, who is probably here now totally out of consideration for me since I observe that I am the only Senator remaining, I would just like to say that the point I want to make here is would you agree as a basic premise that the raw data application could skew the result? In other words, if data was inaccurate it could impact on the logical final determination made?

Mr. **Smith**. That is an obvious conclusion. If you get bad data, you get a bad result.

Senator **Dixon**. Mr. Smith, you and my distinguished friends, Senator Ribicoff and Congressman Edwards, know that no one went to Chanute and actually set foot on the ground there.

Mr. **Edwards**. That is true. We know that.

Senator **Dixon**. Is that conceded for the record?

Mr. **Edwards**. Sure.

Senator **Dixon**. Thank you. I am not trying to be cute about this. We just want it in the record.

Mr. **Edwards**. I think if we are going to concede it that we need to explain to you why we went to any base.

Senator **Dixon**. Well, you may do that certainly, Congressman Edwards. I am not trying to cut you off from that purpose, and I would yield to you for that. We are in agreement, however, that nobody from the Commission ever went out to Chanute and walked about at Chanute and looked around and went into or otherwise did an eyeball examination of this place?

Mr. **Edwards**. That is true.

Senator **Dixon**. You are welcome to make a response.

Mr. **Edwards**. The only purpose of our going to any base was to test the data on a sample basis of what we were getting from the military. The major commands would send in this information that would produce raw data. We audited that in various ways. One way was to send staff people or Commissioners to a number of bases to see if on a sample basis we were really getting good stuff from the military.

All of us who went to facilities came back with the conclusion in most cases that we were. Where we concluded that we were not, we would go back to them and say we want more information.

It was done as a sample and not to try to go to every base that we propose to close.

Senator **Dixon**. I thank you, Congressman Edwards.

So that the data is employed in the graph that we are presently viewing here, graph 1, represents the data that was given to you either from sources within your own Commission or from the service branch involved, in this case the Air Force; is that not true? Is that correct or essentially correct?

Mr. **Smith**. Well, let me try to reconstruct this again. There are 21 factors that we looked at for every base. Once we looked at those 21 factors, we ranked the bases within a utility array like this. This is not our ranking. This is your ranking.

Senator **Dixon**. The one you are looking at there is my ranking. The first graph you looked at, of course, Mr. Smith, was your ranking.

Mr. **Smith**. That is right.

Senator **Dixon**. The point I want to make is the General Accounting Office, Chanute Air Force officials and many who are familiar with Chanute indicated that the base commission used inaccurate data in determining the availability of facilities at the base.

The report said there is a shortage of facilities for training, for administration, for warehousing, for medical and dental care, for bachelor housing and recreational facilities. On the contrary, those shortages do not exist.

The Commission recommended moving photo interpretation training from Chanute, but this particular specialized training is not even conducted there. This is an example of the error inherent in your report by virtue of the fact that no one went there to look.

Mr. **Edwards**. Is that a question?

Senator **Dixon**. I suppose it is a question if you want to interpret it as such, Congressman.

Mr. **Edwards**. Well, first, I am told by staff that GAO has advised us that in fact we probably did not show all of the savings that we could achieve at Chanute.

Senator **Dixon**. Well, may I say this, Congressman Edwards. At another place in the report, the report states that the economic impact of closing Chanute will be moderate. Yet, the mayor of Rantoul who is sitting in the room today, has indicated to us that this town of 20,000 will lose about 45 percent of its population as a consequence of closing this base.

I am told that closing Chanute is about like closing all the automobile plants in Detroit. I would describe that as devastating, an American tragedy.

Mr. **Edwards**. I do not think we argue that there is not some devastation that will result from our report. We have pointed out in our report ways in which communities can overcome some of the devastation.

It is painful. I do not want to stay on Brookley Air Force Base forever here, but we know the pain in Mobile, AL. We have been through it. Many cities have been through it. It is not fun, and it is certainly not pleasant for those who represent the people of those areas, whether they be mayor or Senator or Congressman. The truth is that sometimes you just have to make these kinds of decisions if you are going to start to get expenses of the military under control.

That was our charge. We had no ax to grind with Chanute or any other facility that was listed in our report, but we concluded, and Mr. Smith made the point very well and I think it is important to reiterate, that we did not blindly follow these arrays. I said this in my opening statement. These arrays were given to us as a result of the information produced by the staff and the military, and that was our phase 1.

The Commission judgment in these matters was paramount, and that is why we were there. We were not robots. We were there to make some judgments, and we did.

Senator **Dixon**. I know my time has more than expired, Mr. Chairman.

Senator **Exon** [presiding]. Senator, we can come back if you have some further questions.

We would be pleased to recognize Senator Wilson again.

Senator **Wilson**. Thank you, Mr. Chairman.

With all respect, Congressman Edwards, the question that I asked about the housing related to the fact that we are not alluding to the commanding general's home or that of his staff, but there are 1,300 units of family housing at the Presidio, and 1,200 units are needed by the Navy in the Bay Area.

I submit that an enormous savings is possible on a recurrent basis for all the years that we will have the existing naval presence in the Bay Area if we were able to house those people in that housing instead of having them go out on the economy.

Let me talk about another cost savings that I think may result in a greater cost. It is my understanding from the estimates for increased Bay Area CHAMPUS costs resulting from the closure of Letterman Medical Center that they may run as high as $40 million annually, and the CHAMPUS increases have been historically at something like 6.5 percent. That is what they are this year, but they ran as high as 25 percent before we actually went to diagnostic-related groups, the DRGs.

How did the Commission assess the escalating cost of CHAMPUS when reviewing the closure of Letterman?

Mr. **Edwards**. We first looked at the fact that the Navy hospital across the bay was going to be and perhaps is the hospital of choice given the problems at Letterman. So we looked at that first.

We know that in certain parts of the country where facilities are closed that there will be a greater use of CHAMPUS. I mean, that is just going to happen. It is one of those ingredients that had to be cranked into the equation to try to make the whole thing work. In the case of the Presidio as in the case of some other facilities in the country, we know that that will be the situation, that CHAMPUS will go up.

Senator **Wilson**. They will not only go up but I think go up very substantially. The estimate is $40 million annually.

Also, I have no idea what the impact of the increased patient load at the naval hospital is going to be, and I do not know if the Commission looked at that.

Let me ask Mr. Smith this question. As you will remember, in August 1978 the Subcommittee on Military Construction and Stockpiles of the Senate Armed Services Committee met to hear testimony on the Department of Defense base realignment policy. They looked at some specific proposals. At the time, both the Presidio and Letterman Army Medical Center were to be studied for possible realignment. That being the euphemism, that study did occur.

Can you tell me what cognizance the Commission took of the results of the study and its specific findings?

Mr. **Smith**. I think that the cochairmen have both stated that we did not take old hit lists and generate a new list. We were aware of previous studies, and they were considered as part of our overall process.

I have no recall at all of studies that were done in the late 1970s on the Presidio. I may have been aware at the time, but I now have no memory of that at all.

Mr. **Ribicoff**. I think we made it a point not to review old studies. We were starting ab initio as it stood there, because I know from time to time there were studies, but am I correct that we looked at no old studies at all? We started afresh.

Senator **Wilson**. I think it is significant that some of the same questions that you were asking were asked then, and they came to different conclusions. The only members then present who are still members of the committee are the chairman and Senator Thurmond.

I think that the study is relevant, and I cannot help but be curious as to why different conclusions were reached.

Let me shift from the Presidio now to Hunter's Point, that being the one example with which I am familiar where you did look at homeporting.

What cognizance was taken of the actual operation of the battle group when there was a recommendation that it be split into three different homeports separated by thousands of miles?

Mr. **Edwards**. We had a subcommittee that worked on the homeport issue primarily, and what was finally agreed to on homeporting was agreed to as well by the Navy. I do not think we forced any strange placement of ships with which the Navy disagreed. I guess the services did not agree with everything we did, but we certainly got the Navy's advice before we started placing ships around in different ports.

I have no recollection that there was a problem as far as the Navy was concerned on that. I guess the Navy's view is that what we did was in fact to move ships closer to areas where they might operate since they operate in the sea and out where the battle is. I think what we did seemed to satisfy their needs.

Senator **Wilson**. Congressman, with all due respect I find that hard to accept. That clearly has not been the Navy's policy as recently as days before the release of the report, and there is, I think, an obvious flaw when the whole concept underlying strategic homeporting was to maintain the integrity of the battle group and have the support group move as a unit.

Here, you are separating a battle group, putting it in three different ports, not, let us say, three gulf ports that are separated by a minimal distance but separated by thousands of miles. I mean, it seems to me obvious on the face of it that you are doing great violence to the integrity of the concept.

As far as being nearer to areas of probable deployment, I do not see how that is possible because you are moving south in every direction, and the point of the San Francisco deployment, the Bay Area deployment, was to be nearer the northern Pacific.

Mr. **Edwards**. I guess the only answer I can give you is that the Navy advised the Commission that it was a strategically acceptable alternative.

Senator **Wilson**. With all respect, I do not understand that, and I do not find it very persuasive or convincing.

Let me ask you another question. In light of the recommendation that was made by the Commission, there is another problem. We have been advised in the past that the capacity at Pearl Harbor was limited and approaching full capacity. Yet, the recommendation would divide the battle group between three ports, put a sufficient number of ships in Pearl Harbor; that it would exceed what we have been told in the past was the existing capacity.

Now it may be possible that new capacity can be added to Pearl Harbor, but if that is what is being suggested, then what in the name of God is the savings? Clearly, you are going to have to accommodate by the construction of new facilities, and I do not know how they are any cheaper in Pearl Harbor than they would be at Hunter's Point where you have considerable capacity, where the Navy has really relatively little to do to prepare that area to receive the entire battle group.

Mr. **Edwards**. We recognize that there are savings if you do not build facilities at Hunter's Point, and we also recognize that there are costs to prepare for the receipt of ships at those facilities such as Pearl Harbor that would receive ships.

The numbers that we had worked out to the point that there was a savings of a considerable amount by making that change.

Senator **Wilson**. I am sorry?

Mr. **Edwards**. The numbers that we had suggested that we could save money by not building at Hunter's Point, doing construction work at other facilities, and we would come out with a net savings.

Senator **Wilson**. Well, in the interest of time let me just say that I would like to take a very close look at those numbers because I am very skeptical that that can be possible.

There was a relatively modest expenditure required of the Navy in order to accommodate the battle group at Hunter's Point and at existing facilities within the Bay Area.

The one thing that seems rather strange, you say the Navy found this strategically acceptable, but this mandate to the Commission as I understand it was really not primarily one to find cost savings but to look at the possibility for realignment for consolidation in terms of mission.

If that was one of your commendations, that seems to me to fly in the face of that injunction to you. It is one that results in a dispersal of a battle group over thousands of miles whatever the costs were, and I also do not see where the savings comes in.

Once again my time has expired. Perhaps the best thing, Mr. Chairman, is in light of the time that is involved, I give fair warning to the staff of the Commission that when we resume these hearings after the recess I intend to go into that in much greater detail.

Senator **Exon**. Thank you very much, Senator Wilson.

Gentlemen, I know you have been very patient. Let me encourage you a little bit by saying that the House Armed Services Committee voted 41 to 4 for your report, so it is not all bad. I am optimistic that we will move ahead with this, but we want to give everybody a chance to ask any questions they may have.

I would like to ask the committee at this time since it is 6:53 p.m. and I am about to recognize Senator Dixon again—I think you had some more questions, did you not?

Senator **Dixon**. I understand the concern to get out of here, but I might say that I know Senator Ribicoff has to catch an airplane and I am certainly willing to excuse him to do that if I could pursue a few more minor questions which would be very helpful.

Senator **Exon**. Let us allow Senator Dixon another 5 or 6 minutes, and we will try to wind down.

Mr. **Edwards**. I told Senator Ribicoff he could not leave without me. [Laughter.]

Senator **Dixon**. If I could, Mr. Chairman, I will be very brief.

Now let me be very candid about this. I have in front of me the documentation of what was done at Chanute and Fort Sheridan. Now, Mr. Chairman, I am as patriotic and as American as anyone in this country. This is marked secret. I think I understand the content of this. There is nothing in this that is secret. I would like to predicate a couple of questions off some stuff in here that will not shock you, but I do not want to shock somebody that is a pointy-headed bureaucrat sitting in some closet somewhere who stamped this secret in the first place.

Senator EXON. I would yield to the chairman of the committee on that.

Did you hear the question and the suggestion, Mr. Chairman? I would be glad to turn it back to you.

Senator DIXON. If anything I ask is ever going to affect the security interest of the United States, I will be awfully surprised.

Chairman NUNN [presiding]. I am not sure I understand the request. Would the Senator restate it?

Senator DIXON. Do you see this? This is marked secret. Now here in a matter of a few pages they talk about Chanute, and there is nothing secret in here. I would like to discuss that with these gentlemen for a minute.

Chairman NUNN. Senator, I would agree with your assessment of that document, but I think if we start discussing the contents of a document that is marked secret, there is no place to draw the line.

My judgment is the same as your judgment, but I think we have to respect the classification until such time as properly declassified.

Senator WILSON. Mr. Chairman, could I interject a comment if my friend will yield, because it is on the point that he has raised?

Is there to be some opportunity for members of the committee to, let us say, visit with the Pentagon on this issue?

Senator EXON. We visited that before you came in, Senator, and there is going to be an attempt by the chairman and the ranking member.

Chairman NUNN. We are going to try to do everything we can to get as much as possible declassified. I am personally going to get in touch with the Department of Defense tomorrow. We are going to bring it up with Congressman Cheney before we vote. Senator Warner and I are going to write a formal letter. We have already been in touch with them. There is a process under way to declassify, so I think that will be largely accomplished.

The problem is if we use our own judgment here, we are moving away from the whole system, and there is nowhere to draw the line. If you go across it in this case, which I think would probably have no harmful effect at all, then the next case may have a harmful effect.

So we just cannot begin doing that here.

Senator DIXON. Well, let us see how this question sounds, and I will not pursue it if the chairman is aggrieved by it.

May I ask you this, Mr. Smith? I sense that probably you were perhaps a little more involved in the functioning and the basic process here.

Are you aware of the fact that the Commission found in its examination of Chanute that construction was very expensive there?

Mr. SMITH. Well, the first point, I was no more involved than any of the other Commission members. Those Commission members rolled up their sleeves, and everybody worked.

Senator DIXON. What about the basic raw data that came to you?

Mr. SMITH. This report I helped write. Are you talking about the transcript?

Senator DIXON. I will ask you if you are familiar with the fact that the finding by the base commission was that construction was expensive at Chanute?

Mr. SMITH. I do not particularly recall that as a finding of the Commission.

Senator DIXON. Are you aware that the Commission found that Chanute was farmland and contained sheep? Fort Sheridan was the most expensive property in the country. In other words, the point being that at Fort Sheridan——

Mr. SMITH. We did not make those findings, absolutely. We may have had discussions in the transcripts by one Commission member or one staff member or another about Chanute, but they are not findings of the Commission in any way, shape or form. These are the findings of the Commission right here.

Senator DIXON. But you had a discussion process by virtue of which each of you related to one another and carried on a process of communication. You had raw data. You had the conversations you had together. You had certain things that became part of a formula.

Are you aware of the fact that it was said that this was on the margin, that the question of closing Chanute at all was right or the margin?

Mr. SMITH. No.

Senator DIXON. You are not aware of the fact that that language was used?

Mr. SMITH. That language may have been used by a Commission member or a staff member. I may have used those words myself. I will not get into my position. I will just get in trouble. I think there is more than one base in this category that could have been closed, personally.

Senator DIXON. Well, let me ask you this question. Name a base that was closed that was not at the bottom of your list when you used your raw data.

Mr. EDWARDS. Pease Air Force Base.

Mr. SMITH. Fort Dix, as I recall. We can go back to the record and look, but there were bases that were not at the bottom of the array that were closed. As I recall, there were arrays where we recommended closing more than one base within that array. We can certainly go back and get that information for you. I am sure the staff has that.

Senator DIXON. Since it is almost impossible to pursue this without violating what I consider to be the constraints you have placed upon me, I wonder whether I can ask the Chair if this documentation can be declassified by April 4 so that these discussions which transpire here can be usefully employed in questioning?

Chairman NUNN. Senator Dixon, we will try to get those declassified tomorrow.

Mr. SMITH. My understanding is the document to which you are referring is the transcript of the Commission's proceedings.

Senator DIXON. Yes.

Mr. SMITH. The reason it is classified is because some of our source data was classified. Now, we had nothing to do with the classification or declassification. We held conversations in executive session in which we discussed secret information or information stamped secret from the Pentagon.

Chairman NUNN. I think the thing we ought to do in light of the, I think, important questions raised here is to try to get whoever the classifiers are over there to come over here tomorrow morning, and when we get through with the Cheney nomination we will have a little meeting with them. If we could put in that request tonight, whoever is doing this classification, maybe some of the staff back there would know and could pass that word on. We are going to ask them to come over and meet with us tomorrow to see if we cannot get this ironed out.

Senator DIXON. All right, let me switch to Fort Sheridan for a minute from the Chanute base which is found to have cheap land and high construction cost to Fort Sheridan, which there was general laughter when those in the room discussed the value of it in the high millions, $62–$63 million range.

I ask you, was there a finding that Fort Sheridan's military value was rated high by the Commission?

Mr. EDWARDS. The military value?

Senator DIXON. Military value.

Mr. EDWARDS. I would have to say that there was a finding that it was not rated as high as others.

Senator DIXON. You see, the information that we have that we gleaned from everything is that Fort Sheridan's military value was rated high by the Commission, yet the base was closed because the land value was high in that case. Yet, at Chanute the finding was the land value is low.

I am told Fort Sheridan was rated fourth out of 15 bases; Fort Myer, Fort Shafter, Fort Belvoir, Fort Sheridan, Fort McNair, Fort Hamilton, Fort Meade, St. Louis, Fort Monroe, Fort Gilam, Fort McPherson, Fort Ritchie, Cameron Station, Presidio of San Francisco and Fort Douglas last.

The question was whether it was rated militarily useful but as a base of considerable land value?

Mr. EDWARDS. Let me say first, and I mentioned this earlier, that of all the facilities in the country that we looked at, we at least looked at every Army administration headquarters installation because they are facilities whose operations could be almost anywhere within the military district that they control.

We in fact did deal with several of those headquarters installations, but we concluded as a general thing that the military value of all of the headquarters installations was low, that you could take a headquarters operation from a fort and put it on an active base and make it a more economical operation.

Senator WILSON. Does that tie in with the number of flag and general officers, Mr. Chairman?

Senator DIXON. The time, I think, is such, Mr. Chairman, that I do not want to pursue this unnecessarily, particularly because I cannot use, through no fault of the witnesses, the worksheets here that are important to pursue the kind of a record that I want to make.

Chairman NUNN. I hope you are not implying it is the fault of the chairman?

Senator DIXON. I am not implying that, Mr. Chairman.

Let me finally say this. If I understand everything I have looked at, the raw data, with all due respect to you gentlemen, a fair interpretation of the testimony and everything else, an analysis of the data could reveal that Chanute in particular is not last on that list but may very well be in a tie for first.

Is there anything that you could suggest to me from the standpoint of the raw data evaluation that would do violence to that kind of a statement?

Mr. EDWARDS. You know, Senator, not really. We stand on the basic methodology that we used. We stand on the model that we used. We stand on the interplay between the services, in this case the Air Force and the Commission. We stand on our own individual and collective judgment in assessing all of that information.

As I said in my opening statement, we did not blindly follow any array. So I do not know how to answer that except to say that we believe that our work was well put together. We believe that the model that was used was sensible and rational. We believe as 12 good men and true, as they say in juries, that was an acceptable work product. I think that is the only answer I can really give you.

Senator DIXON. Could you give me the name of the person who did the data formula application system which I presume could have been put into a computer? I do not know how it was done, but the person who found this raw data somehow applied it to a set, systematic approach that you had and got a bottom line on it. Who is that person?

I do not ask that for punitive purposes, incidentally. I am not that kind of a man. I ask to find the truth.

Mr. EDWARDS. I am informed by the staff, to try to help answer the question, that there is no one person who did that; that we had 40 more or less top staff people, good people, no axes to grind, as the Commission had no axes to grind. The information came in and was put into the process, and I do not know that there is any one person that I could point to.

Senator DIXON. Is there one person who can explain how you got the results that you obtained, which I showed you on graph 1, which was your graph, not mine?

Mr. EDWARDS. I suppose there is probably a person who could walk you through the process down to phase 1, but after phase 1 the individual judgments of the Commissioners came into play, and it would be inappropriate to suggest that a staff person or more than one staff person influenced those judgments.

Senator DIXON. I just wanted to say to the chairman and the witnesses I thank them for their time and their kindness in being as responsive as they could be, and I thank the Chair for giving some of us who are concerned an opportunity to develop this further.

My observation would be that if I had the raw data I think I can get some things in the record.

Chairman NUNN. We are going to do everything we can, Senator Dixon, to cooperate in getting that for you.

Senator DIXON. I thank the Chair, and I would like to submit the rest of my questions for the record.

With an understanding for the concerns that those folks have who are involved in this process, there is a time constraint. I would like to have the answers if possible by April 4 when we have my subcommittee's hearings.

Chairman **Nunn**. Without objection, they will be made a part of the record, and we will deliver to you all the whole package of questions for the record. We will try to go through and eliminate any duplications.

I have a couple of questions for the record myself. We will get that to staff, and the staff will, I am sure, consult Senator Ribicoff and Congressman Edwards prior to those coming in.

Mr. **Edwards**. Mr. Chairman, if I may, I think the Senator and all other Senators should submit any questions that they feel are pertinent, and we will do our best to answer those questions.

I would like to read one question we have to tell you part of the problem, Senator. "List by rank or GS or GM rating the grades that Fort Huachuca will lose and gain in the recommended realignment. Please provide a 5-year projection by year of the total military and civilian personnel at Fort Huachuca with and without the execution of the Commission's proposals."

I do not know what the staff is going to do with a question like that. We want to be as responsive as we can, and I guess my plea is that when you prepare your questions, give us something that we can really look for an answer to.

Chairman **Nunn**. We will do that and do the best we can to get those questions in order, and then you will just have to do the best you can when you get them.

Mr. **Edwards**. Mr. Chairman, may I take one more liberty? I know that everybody needs to go, but I sat here and listened to Abe Ribicoff say a lot of kind words about me and, of course, the rest of the Commission, and I think Mr. Smith will agree with me that Abe Ribicoff brought the highest degree of integrity that I have ever seen to a commission.

He is a gentleman, and yet he has an iron fist and he knows how to use it. I think I know of no experience in my former congressional life or in such lives as a commissioner that has been better for me than to have this association with Abe and with the rest of the Commission.

Chairman **Nunn**. I served under Chairman Ribicoff when he was chairman of the Governmental Affairs Committee, and I have served with him in the Senate, and all of us who served with him know that he is a man of absolute integrity and total dedication with a great deal of wisdom and experience.

Congressman Edwards, we would also say that you have that kind of reputation, too, and we are proud to have both of you on this Commission. I do not think the Secretary of Defense could have chosen more wisely than he did.

I also want to again say to Jim Smith he is one of the top people with whom we have worked, and we are proud of all of you and what you have done. I know it has been tough, but we are indeed indebted to you, and I think the country is indebted to you.

I know that you want to catch an airplane, so at this point we will adjourn the meeting.

[Questions for the hearing record with answers supplied by the Commission follow:]

Questions Submitted by Senator Sam Nunn

ENCROACHMENT

Senator **Nunn**. The Commission report indicates that incompatible land development and increasingly congested airspace represent real threats to the long-term functional efficiency of many of our major military installations. Did the Commission have any specific recommendations to either the Defense Department or the Congress regarding ways in which this encroachment can be controlled and the substantial investment in our bases protected?

Answer. The Commission's only solution to this question was the suggestion that larger tracts of land be preserved for joint training areas. The encroachment of the civilian community is merely one half of the supply and demand equation. The Commission recognized that increased speeds and maneuverability will increase the demand for space, and this problem is not solvable by remedial action at many existing training locations.

OTHER POTENTIAL SAVINGS

Senator **Nunn**. The Commission report identifies the consolidation of Reserve component installations, military research and development facilities, and Government-owned, contractor-operated activities as areas which warrant further review for potential economies. Are there other functional areas which, in your view, could yield substantial savings? Can you estimate the magnitude of savings we might expect from such an analysis?

Answer. As a body, the Commission only addressed the issues noted above. The plant operating costs were estimated (roughly) only for the Army's GOCO ammunition plants. The operating savings might not be large in terms of base maintenance, but the cost savings in terms of more efficient ammunition production may be greater.

Questions Submitted by Senator Alan Dixon

ACCURACY OF CHANUTE DATA

Senator **Dixon**. The General Accounting Office, Chanute Air Force officials, and many who are familiar with Chanute Air Force Base indicate that the Base Commission used inaccurate data in determining the availability of facilities at the base. Your report said that there is a shortage of facilities for training, administration, warehousing, medical and dental care, bachelor housing and recreational facilities. On the contrary, these shortages do not exist. Mistakes have been made. The Commission recommended moving photo interpretation training from Chanute, but this particular specialized training is not even conducted there. How can we move something that doesn't exist?

Answer. In the context of the Commission's overall estimates, then including all considerations listed in its Charter, the Commission felt that deficiencies did exist. The photo interpretation mission is a part of the weather satellite program.

Senator **Dixon**. Chanute is less than 3,000 square feet away from meeting a 1994 requirement for medical and dental facilities. As a result, Chanute is rated yellow, a lower score than the other bases which received the higher green score. However, Chanute meets requirements now, and has, in fact, excess capacity instead of shortages that you claim it has. But let's look at the Commission's figures. Doesn't it make you suspicious that for the other four bases the requirement exactly equals the footage available! To the square foot! Just how accurate are the numbers anyway?

Answer. Air Force facility requirements are identified by the bases using Air Force Manual 86-2, standard facility requirements, as a guide. When a base determines that its facility needs are greater than those available, the shortages are identified as "deficiencies". These are then identified in military construction program projects for consideration by their major command and air staff. Chanute has identified such deficiencies and to correct them, additional construction would be required. Since Chanute was the only technical training center which had a validated medical/dental construction requirement, Chanute was the only technical training center where available medical/dental facilities did not equal the required medical/dental facilities.

CHANUTE MEDICAL FACILITIES

Senator Dixon. Here is documentation correcting the discrepancies already pointed out. Viewed from the proper perspective, Chanute gains the best rating in the Air Training Command category! In other words, Chanute falls short of being one of the best because it misses meeting its future requirements for medical-dental facilities by 1.6 percentage points. My reaction to this is that the Commission's process is flawed. How can we close a base because of a 1.6 percent shortage? Did you also know that the entire third floor of the hospital at Chanute is not even in use at the present time?

Answer. The Commission used the best data available. It validated its data on Chanute and other bases within the entire category of technical training bases before deciding that Chanute would be the most desirable candidate for closure based on the excess capacity in that category. The advent of different data from the technical training center commander at Chanute points out and explains why the Commission used a single agency at the headquarters level within each of the services to provide the service data. It further points out the need for standard questions. Without such controls, there would have been no consistent methodology across the categories. The information that was provided to the Commission was checked and refined at the highest levels and validated by the Commission staff. The Commission has no reason to doubt the accuracy of such data.

TRAINING REQUIREMENTS

Senator Dixon. I am told that Air Force requirements are based on a need to handle an increase in trainees in the 1992–94 timeframe. As they now stand, all the Air Training bases meet existing requirements. Were you aware of this personnel increase? It could negate savings gained from closing Chanute. If we are increasing trainees, why are we closing a training base? It seems that the Air Force manipulated the requirements to justify closing Chanute!

Answer. The data provided to the Commission was based on the fiscal year 1990 Program Objective Memorandum (POM) and was the most current data available. The only significant increase in personnel to be assigned to Chanute AFB in the early 1990's was based on a projected increase in enlisted accessions. This, in turn, resulted in a corresponding projected increased requirement.

In the Fiscal Year 1990 POM, the fiscal year 1988 accession level was 40,000 and the fiscal year 1993 accession level was 59,800. Based on estimates of Chanute's proportionate share of additional students and corresponding permanent party increase, it was projected that Chanute requirements would increase.

The Commission was aware that overall, there was excess capacity within the technical training category, even with the higher accession rates, and this provided the opportunity to close Chanute.

COMMISSION INDEPENDENCE

Senator Dixon. Did the services aggressively propose their own base closing plans to the Commission? Your report states that Air Force plans provided opportunities to close bases. Does this mean the Commission lost some of its independence, by relying too much on these plans?

Answer. The Commission requested the services to provide certain raw data which conformed to the requirements of the Commission. There was no list or recommendations provided to the Commission by the services. The Commission maintained its independence because it validated the information and, at times, required the services to change the format or provide additional data if the Commissioners requested further clarification.

IMPACT ON RANTOUL

Senator Dixon. In your statement, you state that the economic impact of closing Chanute will be "moderate" yet the mayor of Rantoul has indicated the town will lose nearly 45 percent of its population. I'm told that closing Chanute is like closing all automobile plants in the Detroit area. The impact is devastating! If that's moderate, I would hate to see what you would call severe!

Answer. An appropriate measurement of the economic impact area reveals only a moderate impact at worst. A figure of 3 percent would be high.

FORT SHERIDAN CLOSURE

Senator DIXON. Your report says that it will cost $68 million to close Fort Sheridan. Defense Department officials have indicated it will take about $153 million to close down—a difference of about $85 million. According to the GAO, Sheridan officials say that only 342 personnel positions of a commission projected 746 can be eliminated, thus substantially reducing the so-called savings. Furthermore, after the Federal, State, and local governments and any other interested parties get through carving up Fort Sheridan, it seems very little money, if any, will be saved. So why close a base that the Army says is important to its mission and was rated high among bases in this category?

ANSWER. The figures you cite here are total costs. The Commission payback estimate of one year is correct.

FORT SHERIDAN REVIEW PROCESS

Senator DIXON. I also understand that the Commission set aside Phase I and made all bases in the Army Headquarters Administration category eligible for closing consideration. Isn't this contrary to the stated preeminent consideration for closing a base being its reduced military value? Did discussions of selling valuable Sheridan property overwhelm this preeminent consideration?

ANSWER. The Commission determined that all Administrative/HQ bases were low in military value and looked at most in Phase II.

ROWDEN VISIT TO FORT SHERIDAN

Senator DIXON. I understand that a member of the Commission, Admiral Rowden, visited Fort Sheridan on December 8 just a few weeks prior to the release of your report. He was quoted as saying, "Fort Sheridan was not well presented to the Commission". He further is quoted as saying that the Department of the Army has not properly presented the 4th Army's Reserve and National Guard responsibilities to the Commission. Just what information did you consider in closing Fort Sheridan? Did you consider the information presented by the Admiral?

ANSWER. On his return, Admiral Rowden briefed the Commission on Fort Sheridan, including mission, size, and layout. He voted with the Commission on this base.

FORT SHERIDAN FAMILY HOUSING

Senator DIXON. The services have told me that there is a real shortage of family housing for military families in the Northern Illinois area. Among Fort Sheridan's facilities is a considerable number of family housing units (496 family quarters). Did the Commission ever consider making these units available for families serving at other armed services facilities in the Chicago metro area? Did the Commission ever consider whether this alternative might be more cost-effective than building new housing at other bases?

ANSWER. The transfer of properties between the military services is an issue for the property disposal process. In general, the Commission did not attempt to create new missions for bases it considered for closure.

FOURTH ARMY UNITS

Senator DIXON. Did the Commission know that the 4th Army had decided to move the 416th Engineering Command, 85th Division and 86th Division Commands to Fort Sheridan, utilizing buildings that have become empty because of new construction?

ANSWER. The Commission files do not contain any documents that address a 4th Army decision to move the 416th Engineer Command, 85th Division Headquarters and 86th Division Headquarters to Fort Sheridan. The Commission recommendation to retain approximately 60 acres for reserve support facilities allows for relocation of some reserve units to the retained-portion of Fort Sheridan to avoid lease cost in the Chicago area. The Commission understands that the detailed Forces Command implementation plan will address which specific reserve units will become tenants on the retained portion of Fort Sheridan.

ROWDEN VISIT TO FORT SHERIDAN

Senator DIXON. Admiral Rowden stated to Fort Sheridan officials that a senior Army official told the Commission, "There are other places that need to go before

Fort Sheridan". So just what information did the Commission use to decide to close Fort Sheridan?

Answer. We are unaware of such a conversation. The closure was the result of low military value and a short payback.

CONSTRUCTION COST ESTIMATES

Senator **Dixon.** Other Commission errors have been found as well. The majority clerk found that the Commission underestimated by 33-50 percent the construction cost to support the closure of Norton AFB and the partial relocation of Norton missions to March AFB. If Commission cost estimates are similarly flawed nationwide total construction costs could reach $2.7 billion or more than the entire domestic construction cost budgeted for all services in fiscal year 1990. The Commission estimate for total construction cost is $1.8 billion. The difference would reduce Commission 20-year savings estimates by nearly a billion dollars to $4.7 billion. This is just one example of cost estimate mistakes. Considering these and others that have been pointed out, can the Congress accept your recommendations?

Answer. The Commission's cost estimates will probably fall within 10 percent of actual costs. The $5.6 billion figure for 20 years already includes one-time costs and savings.

POLITICAL CONSIDERATIONS

Senator **Dixon.** Bases in the Southeastern area of the Nation will remain virtually intact after closure and realignment. Thousands of letters and at least one study from this area were sent to you to influence your decision. What impact did they have and did you avoid bases for political reasons as many have suggested?

Answer. While the Commission probably received comments from the public, very little, if any, information helped in estimating military value.

DATA VERIFICATION

Senator **Dixon.** A sampling method was used to verify the Air Force base data. As a result, the analysis conducted and decisions made to realign or close a base could have been founded on data that had never been verified. In fact, this very thing happened at Chanute. Considering the impact of closing a base, why weren't the final candidates identified for closure visited to ensure that a major mistake wasn't being made? Should we accept a mistake and close a base?

Answer. As the Commission has stated on numerous occasions, the purpose of the Commission and staff visits were to test sampled data. We believe the data for Chanute is correct. There have been no mistakes identified thus far.

CHANUTE VISIT

Senator **Dixon.** As I pointed out in an earlier question, Admiral Rowden visited Fort Sheridan on December 8. He also, as I understand it, visited Great Lakes Naval Training Center which was not on the closure list. Why did he not visit Chanute?

Answer. The visits by the members and the staff were made for the purpose of reviewing onsite the conditions at selected installations in conjunction with our data validation effort. The Commission did not feel that visits to each base considered for closure would be productive in terms of validation of data.

Question Submitted by Senator John Warner

PERSONNEL REDUCTIONS

Senator **Warner.** The General Accounting Office has been reviewing the fine work that the Commission has done and there is one point that concerns me. By GAO estimates, 12,889 military personnel slots and 7,748 civilian personnel slots would have to be eliminated to achieve the savings the Commission identified. Do you agree with GAO?

Answer. The Commission believes the civilian and military personnel cost savings to be in this range. The ultimate elimination or reassignment to higher priority projects is a DOD decision. In either case, the elimination of personnel at unnecessary bases is an improvement in efficiency.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

HUACHUCA, MEADE, DEVENS, HOLABIRD PROCESS

Senator MCCAIN. Please provide a comprehensive statement of the events that led the Commission to examine Fort Huachuca, Fort Meade, Fort Devens, and Fort Holabird as a "system" for realignment and reduction.

ANSWER. In the process of considering various options related to Fort Devens, the Commission developed a comprehensive, or "system" approach that involved realigning a number of activities at the installations in question, with the result that several dispersed organizations were consolidated in a manner that enhanced overall military value and met the payback criterion.

COMMISSION METHODOLOGY

Senator MCCAIN. Please provide a comprehensive statement of the methodology used by the Commission in assessing this system, and the shifts and realignments at Fort Huachuca, Fort Meade, Fort Devens, and Fort Holabird. Please provide a comprehensive picture of the data used and the calculations that resulted, and indicate the source, date, and uncertainty of all key information involved.

ANSWER. The Commission's goal was one of consolidation, which allowed some partial closure. The decision took advantage of available property and facilities. The data used by the Commission have already been provided to your office.

COST-BENEFITS DATA

Senator MCCAIN. Please provide a breakout of the methodology, data, and calculations the Commission used by base and show the relative cost-benefits to the Department of Defense by base. Please show the expected time required for the realignments at each base to pay for themselves and provide a detailed statement of the calculations involved and the source of the saving. Please provide the expected annual savings that are projected to result at each base for each of the next 6 fiscal years, and an explanation of the resulting calculations.

ANSWER. The Commission understands that the complete data file regarding these bases has already been provided to your office.

SENSITIVITY ANALYSIS RE: ISC

Senator MCCAIN. Please provide a sensitivity analysis of the overall impact on the cost-benefit calculations of the Information Systems Command was not moved to Fort Devens.

ANSWER. The Commission executed no sensitivity analysis of such a consideration.

VISITS AND CONTACT—FORT DEVENS

Senator MCCAIN. Please provide a detailed history of the reasons why members of the Commission visited Fort Devens, an exact and comprehensive chronology of any contact with any Member of Congress, any member of the congressional staff, and any other outside witness or lobbyist in regard to the future status of Fort Devens and the move of the Information Systems Command.

ANSWER. The Commission's data validation process included visits by staff and members to several bases in order to have an on-site look at current conditions. Fort Devens was one such installation. Commission records do not include a chronology of inquiries by Members of Congress or their staffs, although telephone calls and letters were occasionally received by the Commission. The letters are available for review in the Commission files.

INSTALLATION VISITS

Senator MCCAIN. How many times did the Commission visit Fort Devens? Who did they meet with on their visit? At any time, was a petition presented to the Commission by the citizens of Ayer, MA? Was there any contact between the Commission and the surrounding communities of Fort Devens? Please provide similar data on the Commission's examination of Fort Huachuca, Fort Meade, and Fort Holabird.

ANSWER. Mr. Louis Cabot visited Fort Devens on December 8, 1988, as part of the data validation process, which did not include visits to Forts Huachuca, Meade, or Holabird. The Commission received a petition from the citizens of Ayer, MA.

COST-OF-LIVING IMPACT

Senator McCAIN. Please provide a comprehensive statement of all data furnished to the Commission, and used by the Commission, regarding the impact of the proposed moves on the military and civilian employees of Fort Huachuca, Fort Meade, Fort Devens, and Fort Holabird, and on the surrounding community. In the Commission's analysis, were cost of living and quality of life factors considered? Please provide a statement showing the Commission's final findings related to such impacts, if any.

ANSWER. The data provided to the Commission on each installation were extensive and are available for review by Members of Congress and their staff at the Commission offices. The total package of transfers was not viewed as impacting quality of life for any specific group. The issue addressed by the Commission was the military value of each base and the opportunities available for improved realignments or closures. Cost of living was not a specific consideration.

AID TO HUACHUCA EMPLOYEES

Senator McCAIN. Please provide a detailed analysis of the compensation and aid that will be provided to the employees at Fort Huachuca as a result of this realignment, and to the surrounding community. What aid will be provided it terms of finding new jobs and new housing, in selling an existing home, and for couples where the wife or husband has a job outside Fort Huachuca? What options will exist for early retirement? What impact will there be on the services available to retired military personnel and their families?

ANSWER. The Commission explained in chapter 7 of its report the type of assistance that is available. The impact on retirees is considered to be little since no closures occurred, but, again, the chief concern of the Commission in making its recommendations was the military value of installations as it affects the national security of the United States.

RELOCATION SCHEDULE

Senator McCAIN. Please indicate when the first moves would start under the proposed plan and provide the details of the schedules for the remaining moves.

ANSWER. The Commission understands that implementation planning is in the early stages and implementation schedules have not yet been developed. Public Law 100-526, the Base Closure Act, specifies that no personnel movements can be initiated to implement the realignments or closures before January 1, 1990, and that they must be completed prior to September 30, 1995.

ISC STUDY—HUACHUCA TO DEVENS

Senator McCAIN. Please provide a copy of the study that was completed within the last 3 years dealing with the feasibility of moving the Army's Information Systems Command from Fort Huachuca to Fort Devens, and a statement of whether and how the Commission took this study into account in making its recommendations. Was a copy of the study provided to the Commission? If so, was it the complete study, or were conclusions that led to earlier abandonment of the move excluded?

ANSWER. The study was prepared by the Information Systems Command and was not furnished to the Commission by the Army. The Commission understands that a copy of the study is being provided by the Department of Defense.

ISC RELOCATION COSTS

Senator McCAIN. Did the Commission conclude, in part, that it would cost $300 million to make the moves affecting the Information Systems Command considered in the study? If not, what were the associated cost of the actions contemplated? How did the Commission take into account the cost of special construction and facilities for the Information Systems Command that have been constructed in recent years? Precisely, what data were available to the Commission on these costs and the cost of replacing similar facilities at Fort Devens?

ANSWER. All Commission cost data are contained within the cost model which is part of the Commission files. The data indicate there are approximately $190 million of implementing costs and $110 million in construction costs. The General Accounting Office has performed an analysis of the cost model and has determined that it provides realizable results. Additionally, when making an economic analysis, the objective is to choose the course of action that is expected to result in the most favorable future benefits. Because it is only the future consequences of investment alternatives that can be affected by a current decision, an important principle in economic studies is to disregard cost incurred in the past. Previous investment costs, be they last year or many years ago, were therefore not considered. The Commission analysis concentrated on ensuring the future course of action was first good for defense and second met the pay/back criterion prescribed by the Commission Charter. The Commission has been assured that the Army will make maximum use of existing facilities and that they will not be left vacant.

ISC MISSION

Senator McCain. Did the Commission's analysis show a significant increase in the Information Systems Command's ability to accomplish its mission by moving to Fort Devens? If so, please provide a comprehensive statement of the analysis involved, and the supporting data and methodology. Provide any cost/benefit summary provided to the Commission.

Answer. The Commissioners recommended the movement of the Information Systems Command to Fort Devens because they believed that the consolidation of split activities in a high-tech area would enhance the Command's efficiency and effectiveness. The complete files used by the Commission have been provided to Congress. They are also available for review at the Commission offices.

HUACHUCA/DEVENS BUDGETS

Senator McCain. What is the annual budget for Fort Devens? What is the annual budget for Fort Huachuca? In dollar impact, how much of the current Fort Huachuca budget, including pay and allowances, O&M, R&D, procurement, etc., will be moved to Fort Devens from Fort Huachuca with the proposed relocation?

Answer. The Commission understands that the annual operating budget, to include pay and allowances for military personnel, for Fort Huachuca is $767.6 million, and for Fort Devens is $256.5 million. The Commission further understands that the specific resource impacts should be contained in the Army's detailed implementation plan.

FINANCIAL IMPACT OF ISC/INTELLIGENCE SCHOOL MOVES

Senator McCain. What is the overall financial impact on Fort Huachuca of the transfer of USAISC to Fort Devens and consolidation of the Intelligence School at Fort Huachuca? What is the impact if measured only in terms of direct budget and employment at Fort Huachuca and if measured in terms of both direct impacts and the impact of the students assigned to the base?

Answer. The Commission understands that the Army will include a financial-impact analysis in its detailed implementation plan.

FORT HUACHUCA PERSONNEL

Senator McCain. List, by rank or GS/GM rating, the grades that Fort Huachuca will lose and gain in the recommended realignment. Please provide a 5-year projection by year of the total military and civilian personnel at Fort Huachuca with and without the execution of the Commission's proposals.

Answer. The Commission understands that this detailed information is not available. The data currently being used by the Department of the Army for Fort Huachuca as a result of these realignments are as follows:

	Student	Military	Civilian	Total
Before	1,614	7,186	3,800	12,600
Trans out	0	765	1,323	2,088
Trans in	1,760	1,156	263	3,179
After	3,374	7,577	2,740	13,691

Fort Huachuca gains over 1,000 personnel. Final personnel figures will vary as a result of further analysis by the Army. Investigations are currently underway to remove any mission duplications resulting from this realignment.

SOCIOECONOMIC IMPACT

Senator McCAIN. Please provide the most recent economic impact statements available to the Department of Defense for the communities surrounding Fort Huachuca and Fort Devens.

ANSWER. The Commission estimated the impact on Fort Huachuca to be at 2.5 percent in total employed due to an additional 1,000 on payroll at the base. The impact at Fort Devens will be negligible.

FORT DEVENS

Senator McCAIN. This move appears to be an effort on the part of the Commission or the Army to justify the existence of Fort Devens. If it is not, please explain why Fort Devens was not closed, and the land sold and real savings realized? Fort Devens appears to be in the same situation as Fort Sheridan, IL.

ANSWER. The Commission took advantage of an opportunity to execute a long-needed consolidation of several functions, embracing mission effectiveness, efficiency, and command and control. The specific missions of Fort Sheridan and Fort Devens are different and the opportunities for consolidation were greater for Devens than for Sheridan.

QUESTIONS SUBMITTED BY SENATOR DAN COATS

JEFFERSON PROVING GROUND STUDY

Senator COATS. The 1977 Department of the Army Realignment Action analyzed our munitions test facility structure and concluded that "none of the feasible alternatives generated under the guidance of this study, including the closure of the Jefferson Proving Ground, provide significant cost-savings and recommend that no realignment of ordnance workload be undertaken." The study demonstrated that JPG is 33 percent more efficient than Yuma for acceptance testing.

During its deliberations on the military value of JPG, did the Commission consider this study? In what specific areas did the Commission believe this study to be inaccurate? If the Commission did not request or consider this study, did the Commission request or consider any other military studies in its evaluation of other military installations? Did the Commission consider that JPG is a faster and more efficient testing ground than Yuma or Dougway in its decision to close the facility?

ANSWER. The Commission was unaware of and did not use the 1977 Department of the Army Realignment Action. The Commission based its judgment solely on the results of its own analysis.

JPG WARTIME CAPABILITY

Senator COATS. Jefferson Proving Ground currently has a wartime mobilization mission (requiring an increase in output of 12 times). I understand that JPG is the only test facility capable of immediately responding to wartime mobilization requirements. Do the Commission's cost estimates for expanding Yuma merely provide it with the capability of testing at JPG's current levels, or did the Commission consider wartime capacity? Will the proposed realignment impair our Nation's readiness?

ANSWER. This realignment will not impair Army readiness. The Commission understands that the Department of the Army plans to construct basically the same test configuration at Yuma Proving Ground (YPG). The increased mobilization requirements will be handled by increasing the size of the work force. The new facility with a trained work force will be capable of handling the mobilization workload.

TRANSPORTATION COSTS

Senator COATS. Jefferson Proving Ground lies in the heart of the Nation's munitions productions and storage industry (within 800 miles of 98 percent of our munitions producers). Transfer of JPG to another part of the country will significantly increase transportation costs and shipping time. Did the Commission consider these costs in its calculations?

ANSWER. Yes, the potential for higher shipping costs was considered in the cost analysis.

PROPERTY AT YUMA PG

Senator **Coats**. Does Yuma currently have the land available to incorporate JPG's functions, or will additional property be acquired?

Answer. Yes, Yuma Proving Grounds has approximately 1,450 square miles of land. No acquisition of land will be required to absorb Jefferson Proving Grounds mission.

TECOM DOCUMENTS

Senator **Coats**. During the period between October 20 through October 27, I understand that TECOM prepared and revised figures for the Commission (via AMC). I request all documents pertaining to JPG prepared by TECOM. I also request copies of all information forwarded to the Commission by AMC. Was the Commission aware of the revisions? How much time was TECOM given to prepare its estimates for AMC? Please identify the sources of information the Commission used to evaluate JPG. How did the Commission validate the closing cost estimates for JPG?

Answer. The Department of the Army provided all basic data on Jefferson Proving Ground to the Commission. The Commission files on Jefferson Proving Ground, which contain all data provided by the Army, have already been furnished to Congress. These files contain the data used and the calculations that resulted. Additionally, the Commission received information from expert witnesses, private industry, and elements of the Department of Defense.

The Commission does not have access to the data prepared by TECOM on JPG and hence is unaware of any revision to any data prepared by them. The Department of the Army has informed the Commission that the data they provided was obtained from existing reports and that the unique facilities and instrumentation used at JPG were considered.

The Department of the Army was informed of the initial data requirements as early as July 12, 1988 for a Phase I (Category analysis) submission of September 2, 1988. Phase II (installation analysis) requirements was passed to the services October 18, 1988 for Phase II submission of November 9, 1988. Supplemental analysis continued throughout the process.

With regard to validation, the Commission's cost-estimating model was validated by the Logistics Management Institute, and base data were validated through sampling and testing. The Commission believes a GAO review currently underway will further validate the process.

JPG CLOSURE COSTS

Senator **Coats**. The Commission estimated the closure costs of JPG at $51.7 million. In his testimony before the House Armed Services Committee, Assistant Secretary of Defense, Robert Stone places these costs at $112 million. Please provide me with a detailed breakdown of both figures. How does the Commission reconcile these costs?

Answer. The $51.7 million net transition cost figure is in error as a result of an input error. The correct net one-time cost is $33.4 million. The net one-time cost represents the net present value of the cash flow necessary to accomplish this closure and the moves that accompany it. It contains both costs and savings. In this case the costs and savings used are given below:

	Year 1	Year 2	Year 3
Losing installation:			
Relocation	1,780.0	1,780.0	1,980.0
Severance	495.4	1,163.3	612.3
Moving	1,231.5	1,231.5	0.0
Shutdown	0.0	0.0	1,568.3
Oversight	1,054.9	791.2	593.4
Gaining Installation:			
Construction	0.0	20,000.0	19,500.0
Equipment	0.0	6,000.0	6,196.0
Land sale (savings)	0.0	0.0	−25,000.0
One-time costs	4,561.8	30,966.0	5,449.9

The net one-time cost, discounted at 10 percent per year, is $33.833 million.

It is the Commission's understanding that the $112 million figure included in Mr. Stone's testimony refers to costs alone, without any compensating savings. Mr. Stone's figure includes costs related to military construction, relocation, severance, moving, shutdown, administration, equipment and operation and maintenance. The cost figure has not been adjusted for the time value of money.

JPG ENVIRONMENTAL CLEANUP

Senator **Coats**. What information did the Commission seek regarding the environmental and ordnance problems at JPG? Was the Commission aware that there is a 2 square mile impact area contaminated with depleted uranium? Did the Commission consider large environmental clean-up costs in its decision to keep any base open (please reference Congressman Edwards' comments regarding Fort Monroe at the Commission's press conference on December 29, 1989)? Given that clean-up costs must ultimately be borne by the American taxpayer, how reliable are the Commission's cost savings predictions?

Answer. As stated in the Commission's report, the closure of Jefferson Proving Ground will result in significant environmental impacts. The closure will require consideration of 26 buildings with a range of herbicides, metals, explosives, PCB's and possible asbestos contamination. Clean-up of these sites is covered by the Defense Environmental Restoration Program. Clean-up is independent of the closure. A serious ordnance problem also exists. Adverse environmental impacts are not anticipated for the receiving installation as comparable operations are presently performed there.

Questions Submitted by Senator Wendell Ford

LEXINGTON CLOSING COSTS

Senator **Ford**. The Department of Defense has estimated the cost of closing Lexington to be a total of $167 million. The Commission's figures, which allegedly bring the facility under the 6-year payback calling, estimate the total cost of closing Lexington to be $62 million. The difference between the two closing cost figures is $121 million, a not inconsequential sum that will apparently have to be borne by the U.S. taxpayer. How can the substantial difference between the two figures be explained?

Superficial data provided to the Congress indicates that the Commission has estimated annual savings of $6.6 million—or $39.6 million over a 6 year period, by closing Lexington. Furthermore, the one-time cost to close Lexington has been put at around $62 million minus $6 million for the sale of the property. Simple math indicates that it will cost less to keep Lexington open than to close it long after the magical 6-year payback is over. How then, can the Commission recommend closing Lexington Army Depot? Since it will obviously take longer than 6 years to achieve a payback on Lexington, why was Lexington chosen to be closed? Is is possible that proposed savings will come from reductions in personnel levels?

Answer. The $62 million net one-time cost represents the net present value of the cash flow necessary to accomplish this closure and the moves that accompany it. It includes military construction, relocation, severance, moving shutdown, administration, and equipment costs. It is offset by savings such as the sale of land, construction avoidance and/or equipment avoidance. The resulting cash flow is then discounted to a present value using a 10 percent discount rate.

The Commission understands that the $167 million figure in Mr. Stone's testimony refers to costs alone, without any compensating saving. Costs include military construction, relocation, severance, moving, shutdown, administration, equipment and operation and maintenance, none of which were adjusted for the time value of money.

The following cost analysis outlines the payback calculation for this installation.

	Costs		Savings	
	During Convrsns (3 years)	After Convrsns (annual)	During Convrsns (3 years)	After Convrsns (annual)
Salaries			13.2	4.4
Construction	31.6			
RPMA	13.9	4.6	23.2	7.7
Moving	22.2			

	Costs		Savings	
	During Convrsns (3 years)	After Convrsns (annual)	During Convrsns (3 years)	After Convrsns (annual)
Other	8.3			
Land			6.0	
Total	76.0	4.6	42.4	12.1
Net Cost During Conversion				33.6
Annual Savings				7.5
Pay Back=33.6/7.5=Less than 6 years				

The major portion of these savings occur as a result of a reduction in the need for both military and civilian personnel. These savings can be used either to reduce the deficit or to satisfy some other high-priority function. It is up to the Congress and the administration, working together, to determine which solution is finally adopted. The Cobra Model has undergone close scrutiny by the General Accounting Office. They have not found any significant problems that would invalidate the conclusions of the Commission.

LEXINGTON ENVIRONMENTAL CLEANUP

Senator FORD. The cost of environmental clean-up at Lexington has been estimated by the Commission as costing $5–$6 million. Estimates by the U.S. Army Environmental Hygiene Agency approximately $60 million. Again, there is a large discrepancy between figures, this time by a factor of 10. Can you explain this discrepancy?

The Commission apparently took the position that, since the clean-up of environmental problems at Defense Department bases is the ultimate responsibility of DOD, it should not be factored into base closing calculations. Yet, the cost for this clean-up will still come out of DOD funds and the prospect of selling the property in question accelerates the need for clean-up. The Commission's position flies in the face of all logic. Can you defend this position?

ANSWER. Until a detailed environmental survey is conducted at Lexington, the extent of the potential cleanup will not be known. The estimated costs to clean up were based on records and types of industrial operations performed there. A more accurate estimate will be available after the survey is completed.

The Commission correctly assumed that the decision to close any installation should not depend on a cost already sunk.

LEXINGTON GOCO FACILITY

Senator FORD. The 475 employees who work at the Lexington GOCO were not included in the 1,131 spaces which the Commission report states will be displaced. Why were these employees omitted from the Commission calculations? The Commission report is silent as to the fate of the GOCO mission and it is literally in limbo. What does the Commission envision will happen to the mission?

ANSWER. The Commission did not include the 475 employees who work at the Lexington GOCO because the contractor is not obligated to hire a specific number of employees. The contractor is only funded to fulfill a specific contract requirement. Based on these contract responsibilities, the contractor then determines the manning required to support that mission. Since these personnel requirements are subject to change, the Commission chose to include only the Federal employees affected by the change. The Commission was aware that there is a contractor-operated facility at Lexington, and the approximate level of employment.

As stated on page 58 of our report, the communications-electronics mission will be transferred to Tobyhanna Army Depot.

The Commission understands that the Department of the Army is currently considering alternative plans regarding relocation of the contractor-operated activity at Lexington. The final plan will no doubt involve a gradual phasing out of operations at that site.

We understand that, as the Army finalizes its plans to execute the required realignments and the closure of the Lexington Depot, it will share those plans with the Congress and local officials concerned with the future use of the depot facilities.

MRSA RELOCATION

Senator **Ford**. The Commission claims that, by relocating the Material Readiness Support Agency (MRSA) from Lexington to Letterkenny Army Depot, the Army would consolidate split functions, improve command and control, and improve cost of operation. I fail to see how this move would accomplish any of the stated goals.

First, while Depot Systems Command (DESCOM) is located at Letterkenny, there is no commonality of function between DESCOM and MRSA. Furthermore, no material readiness functions similar to that performed by MRSA exist at Letterkenny.

Second, placing MRSA in Pennsylvania no more improves command and control than having the function in Kentucky. MRSA was created by the Department of the Army in 1972 from elements located in several States so that these separate functions would be consolidated and placed within easy travelling distance of the six major subordinate commands, yet far enough away from headquarters (AMC in Alexandria) to provide perspective.

Finally, a large portion of MRSA's annual operating budget is spent on travel requirements. The nearest airport to Letterkenny (Chambersburg, PA) is located in Hagerstown, MD, which has only commuter air service. This will require MRSA clients and staff to use either the Harrisburg (75 miles) or Washington, DC (120 miles) airports. Lexington has its own airport.

Given the above information, how can the Commission justify its contention that the relocation of MRSA will, again, consolidate functions, improve command and control, and be more cost-effective?

Answer. The Commission transferred the Material Readiness Support Activity (MRSA) mission from Lexington to Letterkenny to take advantage of future economies with other elements performing similar work. Computer operations is one area where functions will be improved through consolidation. Additionally, there are potential economies to be achieved by relocating MRSA closer to both Headquarters Department of the Army and headquarters AMC. This will save as a minimum travel costs. The Department of the Army believes that the relocation of MRSA to Letterkenny will provide the opportunity for future economies.

RETIREE ACCESS TO FACILITIES

Senator **Ford**. The Lexington Army Depot houses three functions that are vital to a significant and loyal community of retired military personnel whose primary reason for living in the Lexington area is access to LAD facilities. These are a commissary, a post-exchange and a pharmacy. In contrast to the Commission report on Cameron Station in Alexandria, which suggested that Cameron's commissary and post-exchange facilities be replaced elsewhere in the area using the proceeds from the base's sale, no mention is made of Lexington's. The Cameron Station well documents the importance of such facilities to the retired military community and sets an example that should be followed in Kentucky.

The facilities in question must be allowed to either remain on site or be transferred to the Lexington Army Depot in Richmond, KY where obsolete chemical munitions are stored. To deny the retirees that to which they are accustomed and that which they have been promised would be to break a great trust and to further erode already diminished benefits.

Answer. The Department's health services system is composed of direct-care system facilities such as military hospitals, and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). The system is responsible primarily to provide medical support to U.S. forces during war. In support of that responsibility, and on a daily basis, it provides a quality health benefit to all uniformed service beneficiaries. The health care needs of the Active Forces are attended to first and the remaining beneficiaries are supported as space and providers are available. Nonactive duty beneficiaries will not be forgotten if bases and medical facilities are closed. CHAMPUS, which is currently used for about 30 percent of all health care provided, will continue to be available and allow retired beneficiaries near the Lexington Army Depot to obtain health care from nearby providers.

Similarly, military members, retired or active, and their families are authorized to use military commissaries and exchanges at other active military installations in the area. The Commission understands that the Department will take action to upgrade those facilities that will experience increased patronage and to explore the alternatives of adequate support where not available. There are, however, no plans to operate facilities on installations with no active-duty mission.

[Whereupon, at 7:12 p.m. the hearing was adjourned.]

BASE REALIGNMENT AND CLOSURE

TUESDAY, APRIL 4, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON READINESS,
SUSTAINABILITY AND SUPPORT,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:35 a.m. in room SR-222, Russell Senate Office Building, Senator Alan J. Dixon (chairman of the subcommittee) presiding.

Committee members present: Senators Dixon, Wirth, Warner, Thurmond, Wilson, Gorton, and Coats.

Committee staff member present: Andrew S. Effron, general counsel.

Professional staff members present: Robert E. Bayer, David S. Lyles, and Michael J. McCord.

Minority staff members present: Patrick A. Tucker, minority staff director and counsel; George K. Johnson, Jr., Ronald P. Kelly, and George W. Lauffer, professional staff members.

Staff assistant present: Mary J. Kampo.

Committee members' assistants present: William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Jefferson B. Seabright, assistant to Senator Wirth; Terrence M. Lynch, assistant to Senator Shelby; Grayson F. Winterling, assistant to Senator Warner; Robert M. Soofer, assistant to Senator Gorton; Charles Pearcy, assistant to Senator Lott; and Eric H. Thoemmes, assistant to Senator Coats.

OPENING STATEMENT OF SENATOR ALAN J. DIXON, CHAIRMAN

Senator DIXON. The Subcommittee on Readiness Sustainability and Support meets today to begin our hearings on the base realignment and closure recommendations of the Defense Secretary's Base Realignment and Closure Commission.

I would like to begin by saying I welcome all the new members of the committee that may attend this morning. In particular, I am looking forward to working closely with the new ranking minority member, Senator Slade Gorton, whom I am sure will be here later.

I am delighted to see my old friend, Senator Strom Thurmond, here at the committee meeting.

I would also like to welcome the Commission's executive staff and thank them for taking the time to testify before this committee. Your diligent efforts to complete the difficult and complex task within an inadequate period of time is greatly appreciated.

As many of you already know, I opposed the legislation that created the Base Closing Commission. The legislation did not call for closing overseas bases and restricted the Commission's independence by forcing it to rely heavily on the military services because of time constraints.

This all-or-nothing package was an abdication, in my view, of Congress' responsibility to conduct proper oversight of the Commission's recommendations and, from what I have learned about the recommendations thus far, proper oversight is badly needed.

In initiating base closure legislation, Congress recognized that streamlining our basing structure was long overdue and badly needed to achieve savings that could help reduce our massive Federal deficit.

Unfortunately, in our haste to achieve these goals there is increasing evidence that Congress did not give the Commission the time or the resources to produce the best possible results. Several questions about the results have been raised, and mistakes made by the Commission have been noted.

According to the General Accounting Office in testimony before a House Armed Services subcommittee, the GAO preliminary investigation of the Commission's report has raised several questions about the completeness and accuracy of the data used by the Commission. For example, at Fort Dix the estimated savings may not be fully realized because the cost of maintaining the base in semiactive status may not have been adequately considered by the Commission.

A similar problem was found by the GAO at Fort Sheridan, where hundreds of personnel positions may be retained and not eliminated, thus substantially reducing savings.

Furthermore, the savings achieved by closing Fort Sheridan may be even less because the cost of closing it, according to Department of Defense officials, may be nearly $100 million more than the Commission estimate of $68 million. There is a vast difference, of course, between those figures.

Inaccurate data were likewise used by the Commission to recommend closing Chanute Air Force Base in my State. The Commission called for closing this base because of a shortage of facilities and stated that closure would have only a moderate impact on the local economy.

I am familiar with Chanute. I know these shortages do not exist. I know that closing the base will seriously damage the local economy. During a GAO survey, Chanute officials told GAO that shortages do not exist. Local government officials have documented that the closure economic impact on the community would be catastrophic.

Substantially understated Commission cost estimates were discovered during a study by the majority clerk of the Senate Appropriations Subcommittee on Military Construction. In this study of the Norton-March Air Force base closure and realignment, the majority clerk found the Commission's estimates for new construction costs were understated by 33 percent. If Commission construction cost estimates are understated by 33 percent nationwide, the Commission's $5.6 billion 20-year savings will be reduced by nearly $1 billion.

A Congressional Budget Office analysis of major base closures during the 1970s suggests that only under the most optimistic assumptions are the Commission's savings estimates roughly consistent with past savings. The Commission's estimates are based on the administration's economic assumptions which are not shared by most economic experts.

I have read major portions of the transcripts of the Commission, and they contain clues as to why mistakes have been made.

Concerning closure costs, for example, a Commissioner in the December 14 meeting stated that, "We did no independent assessment of these cost figures, and we ended up making decisions based on numbers that I am convinced were contrived to build a case."

A Commission staffer responds to this by saying, and I quote, "The numbers were the result of a standard set of numbers that are generally available to everybody in the Pentagon, and they are not high quality in the sense that they are budget quality."

During the Commission meetings, there were several references to time constraints prohibiting more thorough examination of cost estimates, available data, where to transfer missions and validation of the facts provided by the services.

In my view, these time constraints contributed to the poor estimates and mistakes that I have already mentioned and caused others such as the recommendation to transfer the photo interpretation mission from Chanute, which never had that mission to begin with.

In light of the mounting evidence that mistakes were made by the Commission and that the savings estimate probably is substantially overstated, Congress needs to closely investigate the Commission's effort. Those who are being asked to sacrifice their jobs and their homes deserve a fair shake and our undivided attention in reviewing the Commission's report.

Our communities have already been unfairly treated, because they have been asked to undergo the upheaval of a base closure or realignment while foreign communities have been totally spared. The least we can do is ensure that their sacrifices are in the best interest of the country.

We should not close or realign a base because a mistake or miscalculation was made. We should not close or realign a base if the Commission failed to adequately verify its information or if the Commission simply made an error in judgment.

No report, no study, no Commission, no Congress is perfect. Mistakes are inevitable, but they should be corrected when discovered where possible. By having the Commission staff here today, we have the opportunity to understand how the Commission went about its work, what pressure it faced and how mistakes were made, and I look forward to hearing the comments.

Senator Gorton has a statement that he wishes to submit for the record.

[The prepared statement of Senator Gorton follows:]

PREPARED STATEMENT BY SENATOR SLADE GORTON

Mr. Chairman, I would like to welcome Mr. Bryan to the subcommittee today. It goes without saying that the job performed by the Commission on Base Realignment and Closure was a thankless one. The task of evaluating our entire domestic base infrastructure should not be underestimated.

I am concerned, however, about two points. First, I must say that I do not find the responsiveness of the Commission to Senators legitimate questions satisfactory. If the problem lies in insufficient support for the Commission, then I would recommend that more staff be assigned to the Commission for the duration of Congressional review of the Commission's findings.

Another area that concerns me is the General Accounting Office's finding that a large portion of the savings are tied to elimination of military and civilian personnel positions. If my understanding is correct, without endstrength reductions, much of the savings may well be illusory.

Mr. Chairman, I look forward to hearing Mr. Bryan's testimony, and I will have a few questions at the appropriate time.

Senator DIXON. I thank my colleague and friend, Senator Strom Thurmond, distinguished member of the full committee and this subcommittee, for being here, and I wonder if he has any opening statement.

Senator THURMOND. I have some very brief remarks, Mr. Chairman. Thank you.

Mr. Chairman, I wish to join you in welcoming Dr. Hayden Bryan. We are all aware of the difficult task Dr. Bryan faced as the staff director of the Defense Secretary's Commission on Base Realignment and Closure.

Dr. Bryan, I want to congratulate you and your staff on the outstanding support you provided to the Commission and the superb report you prepared on a most difficult and sensitive subject.

Mr. Chairman, we have previously heard from the distinguished former Secretary of Defense, Mr. Carlucci, and our former colleague, Senator Ribicoff and my friend, Congressman Jack Edwards. Their testimony has convinced me that the Department of Defense and the Congress must do everything possible to support the recommendations of the Commission.

I am convinced that the steps recommended in their report are in the best interest of our country's economy and will allow the Defense Department to make the best use of scarce resources during the coming decade.

Mr. Chairman, I look forward to receiving Dr. Bryan's testimony and will have some questions for him at the appropriate time.

Thank you Mr. Chairman.

Senator DIXON. I thank my distinguished colleague.

Senator Thurmond, I think others will be arriving from time to time, but if you have no objection I think when we go to questions we will enforce a 10-minute rule if that is satisfactory.

Senator THURMOND. Yes, it is.

Senator DIXON. Dr. Bryan, we are delighted to have you this morning, and we thank you for your attendance. Please feel free to make whatever statement you have in mind.

STATEMENT OF HAYDEN BRYAN, PH.D., STAFF DIRECTOR, DEFENSE SECRETARY'S COMMISSION ON BASE REALIGNMENT AND CLOSURE

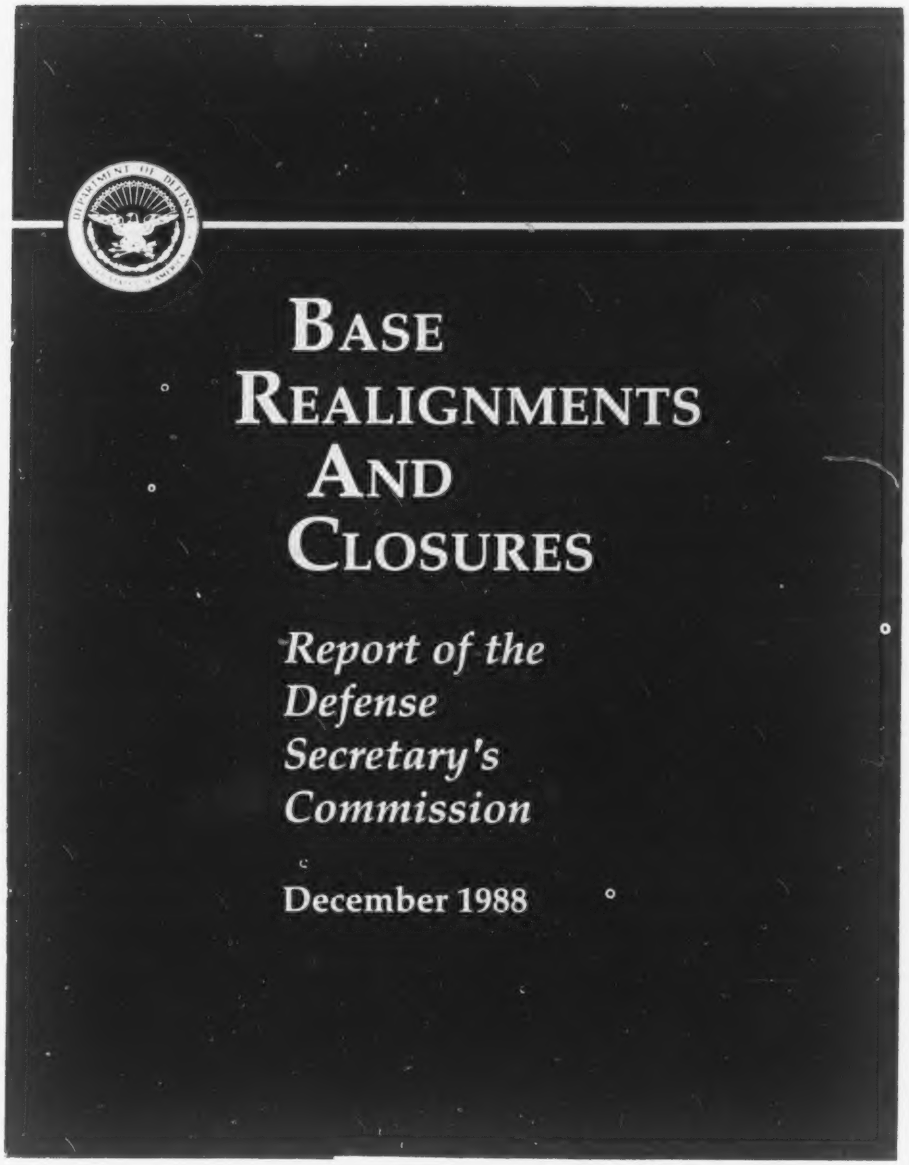
Dr. BRYAN. Good morning, Mr. Chairman and Senator Thurmond.

Senator DIXON. Dr. Bryan, may I interrupt you? If you would speak into the microphone a little more directly, I think it would help us.

Dr. **Bryan**. I spent 10 years telling other people to do this. I should remember.

I do not have a prepared statement, but I would like to enter a copy of the Commission's report for the record. It is a good report reflecting long hours of effort by the Commission and its staff.

[The report follows:]



BASE REALIGNMENTS AND CLOSURES

Report of the Defense Secretary's Commission

December 1988

Base Realignments and Closures

Report of the Defense Secretary's Commission

December 1988

The Defense Secretary's Commission On Base Realignment and Closure

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December 29, 1988

The Honorable Frank C. Carlucci
Secretary of Defense
Washington, D.C. 20301

Dear Mr. Secretary:

On behalf of the Commission, we are pleased to transmit to you our report as required by our Charter and Public Law 100-526. This report contains our detailed findings and recommendations. We certify that the Commission has identified the military installations to be closed or realigned by reviewing all military installations inside the United States, including all military installations under construction and all those planned for construction.

We want to assure you that we undertook this task with the utmost seriousness and dedication to purpose. The recommendations in this report may not have been the only recommendations possible, but we believe that there is a sound basis for them. They reflect information received from expert witnesses, private industry, the Military Services and other elements of the Defense Department. While this input has been considerable, the results are the independent judgment of the Commission based on its own experience and expertise.

The scope and nature of our recommendations reflect the current and future requirements as we now see them, but as the nature of the threat and force structure change, new basing realignments and closures will be required. We hope that the emphasis of our report will lead to a smoother and more flexible process for these changes in the future. There is no question that implementing our proposed realignment and closure recommendations will require some fortitude, but we believe that the hard budget choices facing our nation mandate that unneeded bases be closed and realigned.

Sincerely,

Abe Ribicoff
Abraham Ribicoff
Co-Chairman

Jack Edwards
Jack Edwards
Co-Chairman

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Executive Summary

The Defense Secretary's Commission on Base Realignment and Closure was chartered on May 3, 1988 to recommend military installations within the United States, its commonwealths, territories, and possessions for realignment and closure. The Congress and the President subsequently endorsed this approach through legislation that removed some of the previous impediments to successful base-closure actions.

For over a decade, the Department of Defense has been unable to improve the effectiveness of the military base structure or to realize the significant savings that might have been gained through the realignment and closure of unnecessary or underutilized military bases. This situation is largely the result of 1977 legislation that mandated Congressional approval for any closure affecting 300 or more civilian employees of the Department. In this same legislation, the Department was expressly directed to comply with the procedural requirements of the National Environmental Policy Act for all base-closure decisions.

Despite the absence of closure actions, there is general agreement within the government that the national defense could be improved, and its cost reduced, through a more efficient military base structure. This conclusion was endorsed in 1983 by the President's Private Sector Survey on Cost Control (the Grace Commission), which recommended that a non-partisan, independent commission be established to study the base-closure issue. The Defense Secretary's Commission on Base Realignment and Closure was chartered in the spirit of that recommendation.

This Commission's recommendations for closure and realignment affect 145 installations. Of this number, 86 are to be closed fully, five are to be closed in part, and 54 will experience a change, either an increase or a decrease, as units and activities are relocated. The Commission also makes several additional recommendations that address potential problems in implementing the Commission's closure and realignment recommendations and certain other matters that the Commission has discovered during its review of the military base structure.

From the outset, the Commission sought the most appropriate criteria to govern the nomination of installations for realignment or closure. While cost reduction was an important reason for its chartering, the Commission decided that the military value of a base should be the preeminent factor in making its decisions. With a primary focus on military value and improving the overall military base structure, the Commission elected not to set savings targets. Nevertheless, the Commission estimates the realignment and closure actions recommended in this report should lead to annual savings of $693.6 million and a 20-year savings with a net present value of $5.6 billion.

The Commission's analysis of military installations began with a review of the military force structure and its basing requirements. Representative of the kinds of installation characteristics mandated by force structure are availability of acreage and airspace for realistic combat training and provisions for survivability of strategic forces.

The Commission found that many bases have experienced an erosion of their military value as a result of urban development. The resulting encroachment has forced the modification of missions at many installations. The acquisition of additional land, especially in less populated areas, may be needed to satisfy military requirements.

After a review of the general condition of the military base structure, the Commission began the process of selecting bases for realignment and closure. The data supporting this process were provided by the Services and validated by the Commission and its staff. Installations with similar missions were grouped together to facilitate consistent analysis. The bases were then screened to determine whether the installations were appropriately sized to support current or future requirements and whether their physical attributes were appropriate to accomplish assigned missions.

When it was determined that an installation's mission was impaired, the Commission looked at relocation alternatives. This review focused on the ability of a receiving installation to accommodate and enhance the mission of the units or activities being relocated and whether the costs of the closure and realignment package could be paid back with savings in six years.

As realignment or closure candidates were identified, the Commission took an initial look at environmental impacts. This review was not intended to be a substitute for the environmental analysis required by the Congress during actual implementation of the approved base realignments and closures. As a result of this review, the Commission found that closures generally resulted in positive impacts on the environment rather than negative ones. As individual realignment and closure actions are taken by the Secretary of Defense, full opportunity for public hearings will, of course, be provided.

Besides environmental issues, the public will also be concerned about the economic impact of base closures. The Commission reviewed the history of base closures since 1961 and found that closures were generally less traumatic than people anticipated. In many cases, Defense Department jobs have been replaced by new civilian jobs, and the bases themselves converted to civilian uses. Notwithstanding this record of success, the Commission has recommended to the Secretary of Defense several actions that should be taken to aid local communities in their redevelopment planning.

As a final task, the Commission considered the process for realigning and closing bases in the future, which will be necessary as military strategy and force structure change.

Chapter 1

Background

On May 3, 1988 Secretary of Defense Frank Carlucci chartered the Commission on Base Realignment and Closure to recommend military bases within the United States, its commonwealths, territories, and possessions for realignment and closure (see Appendix A). Legislation subsequently passed by the Congress and signed by the President on October 24, 1988 endorsed this approach and provided relief from certain statutory provisions considered impediments to the completion of base closures. The legislation ("Defense Authorization Amendments and Base Closure and Realignment Act"; see Appendix B) constitutes agreement between the Legislative and the Executive Branches that improvement in the military basing structure could be a means of realizing savings in the defense budget, while not impairing the ability of the armed forces to carry out their missions.

Recommendations for military base realignments and closures normally fall within the purview of the Executive Branch, operating under general policy guidance and oversight by the Congress. Nevertheless, a ten-year stalemate over base closures has led the two branches to agree that a commission be established to develop those recommendations.

The chartering of the Commission takes into account the recent history of failed attempts to realign or close bases as well as successful closure actions taken in prior years. A brief review of the base realignment and closure issue is instructive.

In the early 1960s, under the direction of President Kennedy, Secretary of Defense McNamara developed and subsequently implemented the most extensive base realignment and closure program in the history of the United States. Hundreds of base closures and realignments took place during this period, and more than 60 major bases were closed. Criteria governing bases selected for closure were established primarily within the Office of the Secretary of Defense, with minimal consultation with the Military Services or the Congress.

The Congress had not anticipated the broad extent of these actions, and their cumulative political impact was substantial. With very few exceptions, the closure actions were viewed negatively by the Congress, especially since the announcement of base closures was made immediately after the 1964 elections, while the Congress was in recess.

In its next session, the Congress passed legislation setting up reporting requirements designed to involve itself in any DoD base-closure program. The proposal was vetoed by President Johnson. The confrontation between the two branches of government continued to grow. Despite this situation, the Department of Defense was able to complete base realignments and closures routinely throughout the 1960s.

During the early 1970s, the Department found it increasingly difficult to realign or close installations due to repeated attempts by the Congress to regulate the base-closing process and to limit or deny base-closing funding. In 1976, the Military Construction Authorization Bill contained a provision prohibiting any base closure or reduction of more than 250 civilian employees until the Department had notified Congress of the proposed actions, assessed the personnel and economic impacts, followed the study provisions of the National Environmental Policy Act, and waited nine months. This bill was vetoed by President Ford and the Congressional veto override effort failed.

Subsequently, however, President Carter approved legislation requiring the Department to notify Congress that a base is a candidate for reduction or closure; prepare local economic, environmental, and strategic consequence reports; and wait 60 days for Congress' response. This legislation, which also required Congressional approval for any closure affecting 300 or more civilian employees of the Department, effectively brought base closures to a halt.

Since passage of this legislation over a decade ago, there has not been a single major base closure. All attempts at closing major installations have met with failure, and even proposed movements of small military units have been frustrated. Since then, force structure changes and the assignment of new missions to marginal installations, supported by large capital expenditures, have reduced many opportunities for future closures.

Given that situation, the incumbent administration has discussed with the Congress but not pursued the development of a comprehensive proposal recommending base closures to Congress. The President's Private Sector Survey on Cost Control (The Grace Commission) included in its 1983 report a finding that economies could be made in the base structure and recommended that a non-partisan, independent commission be established to study the base-closure issue in a less constrained process and submit a list of closures.

In sum, the current stalemate between the Legislative and the Executive Branches has made it virtually impossible to close any military installation and realize the resultant savings in the defense budget. In addition to straining relations between two branches of government, this stalemate has increased the cost of national defense. These increases, which are not always measurable, flow from inefficiencies such as the requirement for units to travel hundreds of miles to adequate training areas, the necessity for extensive command-and-control systems to ensure coordination of split functions, and the need for senior management to spend time dealing with administrative problems created by an inefficient base structure--time that would be more properly devoted to mission-related activities. In some cases, the Department has been obligated not only to keep certain marginal installations active, with all the attendant operating costs, but also to use severely limited military construction funds either to bring facilities up to standard or to enable the installations to be more fully utilized.

The importance of an efficient military base structure cannot be overstated. The base structure can remain efficient only if the difficult decisions to close and realign bases can be made on a timely basis. The Commission has made a number of such decisions. In addition to achieving documented savings, the Commission's recommendations will alleviate some of the problems discussed above, leading to improved mission effectiveness.

Chapter 2

The Commission

The Commission was composed of 12 individuals from varied backgrounds (see Appendix C). All have had experience in dealing with complex public-policy issues. In many cases, they brought to the task a first-hand knowledge of military matters, and all have had extensive experience in organizational settings that has provided them with a perspective on how to improve processes. The Commission functioned in a non-partisan manner, and was supported by a professional staff (see Appendix D).

In organizing to accomplish its tasks, as defined in its charter and companion legislation, the Commission established a number of parameters to govern its work. Significant to its decisions was the selection of military value as preeminent among the criteria governing nomination of bases for closure or realignment. The Commission's recommendations will not degrade military effectiveness, and in most cases will improve it.

While military value was of primary importance in its deliberations, the Commission also considered cost savings. No cost-savings targets, floors or ceilings, were established, and the Commission felt no obligation to reach any particular dollar figure cited in studies that have appeared from time to time. The Commission determined that these previous savings estimates were for the most part derived from limited investigations, and represented only order-of-magnitude estimates.

The Commission also assumed for the purposes of its review that the force structure would retain the size and configuration outlined in currently approved plans. Unlike some previous reviews, the Commission's approach, consonant with its charter, focused on properties and their uses, not on military units, command structures, or other organizational matters. The Commission's ability to close major bases was often dependent upon the status of plans in the individual Services. For example, the Air Force, driven by severe current and projected fiscal constraints, had under way reduction and consolidation efforts that gave the Commission a number of opportunities. On the other hand, in the case of the Navy, whose base structure is tied quite closely to the current plan to create a 600-ship fleet, the Commission, adhering to the principle of not challenging Service force-structure planning, found fewer opportunities for closure actions.

Finally, the Commission's review of the Army's base structure revealed a larger number of installations needing closure due to that Service's ground-related mission and its role as executive agent for many DoD functions, but the operational savings from these closures are considerably less than those of the Air Force. Thus, the Commission found a variety of Service force-structure plans facing it, and its final recommendations and resulting savings reflect these differences. Each Service used vigorous presentations to explain its current posture and defend its individual views.

While the force structure may well change in the future, growing or shrinking in response to changing national strategy, budget considerations, political accommodations, or other factors, the Commission chose not to engage in a debate on these issues. Since there is no sure way of knowing what the strategy, force structure, and basing requirements will be in the long term, the Commission, in Chapter 8 of this report, expresses the need for a continuing base-review process.

In developing a methodology for arriving at decisions, the Commission established a process for reviewing the complete inventory of military properties, with an emphasis on larger installations.

Pursuant to the charter, and with Commission guidance, the staff developed a process for the initial evaluation of military installations. The purpose was to measure each installation against the criteria established in the charter so as to narrow the number of installations for more detailed and subjective review by the Commission. The Commission does not claim that the process outlined in Chapter 4 is the only possible alternative or that it is perfect; it is, however, an effective, methodical approach proceeding from reasonable assumptions, with military value as its cornerstone.

The Commission's screening and evaluative processes required vast amounts of information, much of which was available only from the Department of Defense. The Commission adopted an "auditing" approach that verified information through public hearings, formal and informal consultations, visits to bases, references to other sources, and the collection of supplemental data when necessary. The Commission is satisfied that its process made use of the best information currently available.

The process adopted was one in which judgment and expert opinion played an integral part. The Commission heard expert testimony, and the Commissioners drew upon their personal experience and investigations to identify candidate installations for review and to arrive at the conclusions in this report. The Commission and its staff visited 44 installations during the course of the review. The Commissioners engaged in vigorous debate on many issues, with a full and frank discussion of opinions. While there was disagreement on many issues, the Commissioners are unanimous in their support for the recommendations in this report.

Chapter 3

Base Structure and Conditions

The Commission considered the military value of an installation in terms of how well it met the mission-related needs of the units or activities located there. As the Commission proceeded with its evaluation of the base structure, it addressed a number of factors that contribute to military value. Natural physical factors such as expanse and type of terrain, geographic location, and weather can be of utmost importance. Other factors are found in the nature of the relationship between an installation and its surrounding community. The condition of base facilities, along with their current and potential capacity, also affects military value.

Physical Factors

The size and location of military installations were significant considerations in the Commission's analysis, since they are often directly related to the ability of an installation to support current and projected missions, and are also major factors in its ability to accept additional units and missions resulting from a reorganization of the base structure. In the course of its deliberations, the Commission developed an acute concern about the requirement of the armed forces for adequate training areas. Modern tactical doctrine, taking advantage of vastly improved equipment capabilities, calls for greatly increased mobility for the operational units of all Services. The areas of operational responsibility for modern units dwarf those of yesterday's forces. For instance, today an Army mechanized battalion needs more than 80,000 acres to practice standard maneuvers; its World War II predecessor required fewer than 4,000.

The increasing sophistication and extended ranges of modern weapons continually increase the requirements for training areas. Today, the high speed of modern tactical aircraft means that even large ground ranges are overflown in a matter of seconds, so that ranges that might have been perfectly adequate ten or more years ago are now too small. The five nautical miles required by a World War II fighter aircraft for aerial maneuver have grown to 40 miles today. With the advent of the Advanced Tactical Fighter, that requirement will expand to between 80 and 100 nautical miles. There is also an emerging need for a new kind of range, one capable of accommodating the full and free use of electronic-warfare devices without impairing normal private and commercial use of the electromagnetic spectrum.

Furthermore, the increasing emphasis on joint and combined-arms operations expands the requirement for large training areas, such as the National Training Center at Fort Irwin, California. In the past, the Services have been able to augment their training areas by using other federal lands, such as national forests, under agreements with various custodians. That option is becoming increasingly constrained because of the growing body of legislation that places greater limits on the use of federal land. The Commission notes in passing that Soviet forces have at their disposal vast training areas in which to practice large-unit maneuvers.

The foregoing demonstrates clearly the need for the Department of Defense to pursue vigorously the acquisition of large tracts of land in sparsely populated regions for the purpose of ground and air training.

Realistic training also requires access to varied terrain. Marine Corps units practicing amphibious operations need beach landing sites with appropriate tides and supporting soil, relatively free of vegetation. Low-level helicopter flight training must be conducted over rolling, forested terrain in order to build pilot proficiency. The soil over which armored and mechanized-infantry units maneuver must be stable enough to support heavy vehicles. Light-infantry units require less space but more variety in terrain, while airborne units need parachute-landing zones and good weather conditions to maintain their proficiency.

Such considerations will loom even larger in the future. The pace of technological change is increasing, and the trend toward higher-mobility forces with ever-more-lethal weapons can be expected to accelerate. While simulation techniques are useful in meeting some training requirements, particularly for individual skill development, unit proficiency can only be attained through "real life" exercises.

Although location has an effect on the military value of any given installation, in certain instances a specific location is a prerequisite to mission accomplishment. For example, despite the higher land values associated with such locations, the Navy needs deep-water ports with access to the ocean, while the Marine Corps mission to conduct over-the-shore operations requires access to beachfront training areas.

The ability of a military base to survive in a nuclear environment is also of clear military value. Years ago, the range and speed of strategic bombers dictated their stationing near the coasts to put overseas strategic targets within their reach. Technology has since extended effective ranges, and the survivability of U.S. strategic-bomber bases, given the presence of missile-equipped Soviet submarines off our coasts, has now become a prime consideration in locating those bases farther inland. Another consideration governing remote location of these bases is the requirement for low-level bomber routes, which has been extended to between 500 and 700 nautical miles.

Weather can be another important basing consideration, particularly in the case of flight training and operations, but also for other outdoor operational and training activities. In addition, special climatic conditions may be desirable for training specialized units or for research, development, and testing of equipment.

Encroachment

Despite the relatively large land area of the United States, there is often an intense competition for desirable areas. The encroachment of civilian activities on military installations has an effect on operations. Our nation's demographic evolution has been marked by a shift of population from the Northeast toward the South and West. This trend has accelerated in the last fifty years, so that bases that once were remote and isolated are now engulfed by urban development. This has constrained the growth potential of many established bases, reduced their ability to conduct training and other operations, and impeded, in some instances, efforts to consolidate units or functions. In many parts of the country, a growing competition for valuable land has pitted local interests against military requirements. This has been particularly evident near deep-water ocean ports. Aside from the facilities supporting current port operations, additional land for the staging of personnel and equipment is required for mobilization. As the development of civilian communities around ports has occurred, this capability has been restricted.

The Commission has found that the encroachment problem is particularly acute for military flight operations. Air bases across the country are confronted with airspace extremely congested by commercial and private aviation, a situation exacerbated by the desire of local municipalities for noise abatement and limited night operations.

Condition of Facilities

Another factor with a direct impact on military value is the condition of base facilities. Substandard base facilities hurt military effectiveness in both operational and human terms. In their visits to military installations, the Commissioners were struck by the number of deteriorating facilities. The continued presence of large numbers of wooden buildings erected during World War II and designed to stand for ten years at most is but one example. The data on individual installations provided by the Services showed that antiquated structures are common and are not restricted to any single Service or mission area. While recognizing that military-construction projects compete for funds with other national defense requirements, the Commission encourages the Department of Defense and the Congress to consider the adverse impact that inadequate living and working conditions have on the performance and retention of personnel.

Under ideal conditions, the Department of Defense would be able to design a base structure from the ground up, taking into consideration the mission-related requirements of its forces. Reality requires that any comprehensive basing proposal begin with the base structure that already exists, one that has developed over many years in response to a variety of circumstances.

In fact, the design of the current base structure strongly reflects the practice of adapting existing facilities to new purposes. When a new basing requirement arises, the first response ordinarily is to determine whether it can be met with an existing base. This response is partly conditioned by economic considerations, since existing bases already represent significant sunk costs. It is usually more economical to station a new unit on an existing base that may have some unused space, and pay the incremental costs, than to acquire a large tract of land at current, higher prices and build a complete infrastructure at a new location.

Given the impediments to creating a base structure on purely rational grounds, it is all the more remarkable to learn, as the Commission has, that the current base structure, while not ideal in all particulars, generally meets the mission-related needs of the Armed Services in the context of their current force structure. The shortcomings are of degree, not of kind. On that basis, the task of the Commission with regard to base realignment and closure was primarily one of adjustment, particularly in those cases where the Commission's action was based on excess capacity.

Chapter 4

The Process

The Commission charter required the development of a process to determine which bases could be realigned or closed. That directive was consistent with a widely accepted presumption that the military base structure includes some number of installations that are unneeded or not fully utilized, the closure of which could provide savings of defense expenditures without adversely affecting military capabilities. The potential for closing bases hinges on the validity of this presumption, which is a judgment about the fit between the requirements of the military forces that use the base structure and its capacity. The number of bases to be closed depends largely upon the amount of excess capacity found in the system. For the purpose of the Commission's review, excess capacity, or the ability to absorb additional units, was defined in terms of land, facilities, operational environment (including airspace), and quality of life or community support factors, as appropriate.

In order to evaluate capacity in the context of military value, a determination was first made as to whether each installation was appropriately sized to support current or future requirements. Categories of installations with similar missions were then established to provide an evaluation of aggregate capacity. In this context, the Commission reviewed the Secretary of Defense's Overseas Basing Study of October 13, 1988. While there is no need to retain domestic capacity for the immediate return of overseas units, the Commission was sensitive to this contingency in its deliberations.

Phase I

The first step in installation evaluation was to establish a complete inventory of installations and assign them to categories. In the case of large installations, or complexes of installations, where separate major mission requirements were clearly identifiable, areas dedicated to such separate missions were treated conceptually as independent installations for the purpose of analysis. This procedure was required for the review of many Navy base complexes where sea, air, depot, and other activities are carried out on contiguous or proximate sites. More than 2,300 separate installations, constituted from over 4,200 separate DoD-owned properties, were identified for review.

While installations are ordinarily under the control of the Military Service to which the tenant units belong, there are numerous instances where tenant units from one Service are located on an installation controlled by another. In addition, the Army, to a much greater extent than the other Services, acts as an executive agent in operating installations where activities of consolidated organizations such as the Defense Logistics Agency are located. For this reason, the inventory of Army installations is considerably larger than that of the other Services.

The initial measurements of military value and capacity were performed within categories of bases having similar missions in each Service. Five task forces were used: air, ground, sea, training and administrative, and depot, along with a sixth task force, generally referred to as "all other." These staff task forces oversaw the collection of data from the Services regarding the installations within each category (see Appendix E). Analysis by category within each Service was employed as a starting point for installation evaluation because it permitted a relevant comparison of assets, environments, and attributes.

In order to establish whether the physical attributes of specific installations were appropriate for the accomplishment of currently assigned missions, an evaluation of installations was accomplished by measuring 21 mission-related physical attributes grouped into five overall factors (see Appendix F). Each of these attributes was represented by one or more physical units of measure relevant to the category of installations being evaluated. Within a category, the same units of measure were used.

The measurement of each attribute was characterized by one of three ratings: marginal for mission accomplishment, acceptable, and fully satisfactory. Each of these ratings was specifically defined for and consistently applied within each category of installations. To complete the evaluation of installations in each category, a level of significance was assigned to each of the 21 attributes and was applied consistently within the category.

The method used for this evaluation was based on a consistent set of criteria that was used to compare all installations within a category. In conjunction with the evaluation of capacity available throughout a category, the process offered a logical basis for judging possible opportunities for closure and realignment. The Commission selected a number of installations for further detailed review based on capacity and military value.

For the "all other" task force, a tailored procedure was employed. This task force included such diverse categories of properties as research and development centers, communications and intelligence sites, special-operations bases, space-operations centers, medical facilities, laboratories, and Reserve-Component centers.

For this "all other" task force, a set of criteria was established by the Commission for each category. The criteria were consistent with the spirit of the evaluation process for the first five task forces, namely, military value and capacity. The Services developed the installation inventory for each category and applied the Commission's criteria. These analyses were checked for consistency and reasonableness by the Commission.

Phase II

The next phase was an evaluation of the potential for relocation of activities or units located on installations identified as potential closure or realignment candidates. The Commission's focus shifted from installations to the activities assigned to them. Suitable alternative locations had to be identified for each major activity or unit before proceeding with further consideration of closing an installation.

The first step was to identify all activities that needed to be relocated at each candidate installation (some activities could be eliminated as a result of a closure) and to develop options for their relocation based on specific Commission criteria. Activities with fewer than 50 civilian or 100 military personnel (the threshold set by the Department of Defense for notification to the Congress) were identified but not analyzed for relocation. It was the Commission's view that sites for relocation of these smaller activities should be left to the discretion of the parent Services, but an estimate of the cost of relocating all activities was included in the Commission's cost-estimating model (see Appendix G).

In developing relocation options, potential receiving bases were listed in the order of their ability to enhance the mission of the activity being relocated, using designated mission-enhancement factors: consolidation of split functions; improvement in training, mobilization, and command and control; cost of operation; customer service; and improvement of quality of life.

Potential receiving bases for individual units or activities were not limited to a single category but could be chosen from any category as long as capacity to receive the activity was available or could be created by a simultaneous move.

The Commission selected the preferred relocation option for each activity based on mission enhancement. This best option was then checked for environmental or community support problems at the receiving base. The best relocation options for all activities to be relocated from a closed or realigned installation were then analyzed as a package, using the Commission's cost-estimating model. The model was used to determine the costs and savings for the package, which were then used in calculating the payback period--the time required to recoup the cost of the closure or realignment. The Commission followed the guideline in its charter in electing to use a maximum payback period of six years.

In determining the payback for a given installation, the Commission estimated costs and savings associated with the closure or realignment of the installation and the subsequent relocation of units and activities affected by the action. The cost of hazardous-waste cleanup was not included, since such cleanup is currently required by law regardless of the base-closure situation. Costs for social-impact programs such as food stamps, welfare, and unemployment compensation also were not included. The Commission believes these costs will be minimal. All calculations were adjusted to reflect a discount rate of ten percent and a three-percent inflation rate in order to account for differences in the timing of costs and savings. Military construction costs were estimated based on DoD standard construction costs for similar buildings. Consequently, the Commission's construction estimates should not be construed as a cap on these estimated costs.

The Commission valued property based on the estimated fair-market value of the land as raw or as undeveloped commercial, residential, or industrial property, as appropriate. Where it could be documented, the value of any existing improvement, such as a usable manufacturing plant, that would add significantly to the marketability of the property was included. This approach is based upon testimony and statements made in hearings during consideration of the Base Closure and Realignment Act, the practices prescribed by the Office of Management and Budget, and sound economic theory.

The Commission evaluated each potential closure or realignment in terms of environmental and socioeconomic considerations, including environmental mitigation at receiving bases and the impact on local employment.

Throughout the process, the Commission investigated the possibilities for cross-Service realignments that would satisfy its military value, payback, environmental, and socioeconomic decision rules. The Commission also considered the impact on the Department's classified programs and warfighting capabilities.

Each step of the process was checked for completeness, reasonableness, and consistency by independent staff experts hired specifically for that purpose. The raw data were also sampled and tested for accuracy. The independent experts found the data to be reasonable, sound, and defensible.

The Military Services performed several important functions during the analysis. They collected raw data pertaining to the measures of physical attributes related to installations. Each Service also provided the Commission with expert advice regarding current missions, development and evaluation of measures, and the levels of significance for physical attributes. With regard to those installations recommended for closure or realignment by the Commission, the Services identified activities to be relocated and nominated potential receiving bases for those activities, following Commission decision rules. They also provided cost-savings and real-estate data used in the Commission's model.

While the Commission depended heavily on the process described above, its final recommendations also reflect the individual judgments and deliberations of the Commissioners. There is no "magic formula" that will yield precise results. The process enabled the Commissioners to focus on the best opportunities; it did not replace subjective judgment.

Chapter 5

Recommendations

SECTION I

This section summarizes the Commission's recommendations, more fully discussed in Appendix H, that constitute those required by Title II of Public Law 100-526, to be accepted or rejected in their entirety by the Secretary of Defense and, if accepted by the Secretary, subsequently by the Congress.

The Commission's recommendations for closure and realignment affect 145 installations. Of this number, 86 are to be closed fully, five are to be closed in part, and 54 will experience a change, an increase or a decrease, as units or activities are relocated. The details of these actions are found in the appendix, along with an index of affected installations.

Implementation of these recommendations will result in annual savings of $693.6 million and a 20-year savings with a net present value of $5.6 billion. These savings are both realistic and substantial.

SECTION II

During the course of its evaluation and deliberations, the Commission encountered a number of situations that, while not in all cases involving proposed base closures or realignments, need attention. Accordingly, the Commission has decided to make a series of recommendations in these areas, with the understanding that they are not part of the "all or none" package. These recommendations are, however, related to issues that were investigated during the Commission's review of the base structure, and in some cases are critical to the successful implementation of the Commission's closure and realignment recommendations.

The lack of comment by the Commission on other ongoing actions, studies, or proposals regarding military installations should not be construed as implying Commission support or non-support for such actions, studies, or proposals; the Commission was constrained by its charter and by time.

Program Implementation

The Commission is extremely concerned that the implementation of its recommendations may be frustrated unless adequate funding is made available early in the process and existing rules and regulations affecting the process are streamlined. It is clear that if this process is to move forward during a time of severe budget constraints, it will be necessary to make the program self-financing to the greatest extent possible. The Commission strongly recommends:

-- that the Base Closure Account (hereinafter, the Account) be capitalized as quickly as possible. As a minimum, the Account should receive $300 million in appropriations in the FY 90 Defense Appropriations Bill.

-- that special reprogramming rules be developed with the Congress and the Department of Defense to permit the transfer of other Department funds into the Account as necessary. In particular, the Services should be given the authority to reprogram FY 89 funds appropriated for construction projects at installations designated for closure. This action will enable the Services to accomplish timely environmental analyses, construction design, and site preparation.

-- that there be enacted statutory relief from Section 207(a)(2)(B) of the Base Closure and Realignment Act, which prohibits the Secretary from transferring funds into the Account from other funds appropriated to the Department until approval is obtained in an appropriations act and notice is provided to the Congress. The Commission is concerned that this procedure will delay timely implementation of its recommendations.

-- that there be enacted statutory relief from the provisions of the Federal Property and Administrative Services Act of 1940 (40 U.S.C. 471 et seq.) that restrict the Secretary of Defense from disposing of real property and facilities. The current requirements entail a complex and time-consuming screening process. The Commission is concerned that delays may result in minimal proceeds being made available to the Account to fund relocations.

-- that the Administration remove regulatory impediments for the sale of excess land and reinforce the current Office of Management and Budget policy that transfers between federal agencies be accomplished at fair-market value.

-- that the Defense Department accelerate efforts to dispose of "salable" land in order to get sales proceeds into the Account as rapidly as possible. The Department is encouraged to be innovative in this effort. For example, it may not be necessary to wait for current military occupants to vacate the land before a sale is made. Further, a sale can be contingent on the buyer's building replacement facilities for the military with occupants moving when these facilities are available.

-- that the Secretary of Defense, in managing the Account, make disbursements from the Account in proportion to the Services' contributions to the Account and the Services' expected savings. This approach is fair and maintains the incentives for the Services to take actions to build the Account balance.

Expanded Training Areas

Realistic training of Army, Navy, Marine Corps, and Air Force units is a difficult challenge. In many geographic regions, the Services are constrained in their ability to train because of encroachment near maneuver areas and live-fire ranges. Examples include limits on air operations due to noise, ordnance limits at various ranges, reduced availability of ranges for live fire, restrictions on the use of landing beaches, and pressures from local communities to halt night training activities such as artillery firing and air strikes. These encroachments on existing training ranges are occurring at the same time that growing maneuver speeds and ranges of modern weapons demand the availability of greater expanses of real estate and air space for training. Chapter 3 contains a further discussion of this issue.

Large joint-training areas will help optimize the military use of restricted land, air, and water space, and allow the Services to train as they would expect to fight. In order to do this, the Services should be seeking ways in which they might expand training areas, such as the National Training Center at Fort Irwin, California to accommodate the need for battalion, brigade, and division-level maneuver with artillery, missile, and air support, and to recognize the diminishing ability to accomplish such training in now-inadequate areas. For example, a joining of Twentynine Palms, Fort Irwin, and Camp Roberts, California; Nellis AFB, Nevada; and range areas in Western Utah could, with the addition of several hundred thousand acres of leased land in Death Valley, provide a greatly expanded training area to better satisfy the needs set forth above.

Therefore, the Commission recommends that, in addition to current initiatives, the Secretary of Defense also consider using funds that may remain available in the Base Closure Account, after costs to implement the Commission's recommendations have been satisfied, to lease or acquire land to facilitate the creation of an expanded range complex.

Department of Defense Presence in the National Capital Region (NCR)

The Commission is aware of the Congress' concern with the DoD presence in the NCR as discussed in Senate Report 100-57, "National Defense Authorization Act for 1988 and 1989," dated May 8, 1987. The Commission has reviewed the results of a master-development planning effort documented in "A Report to the Congress on DoD Administrative Space Planning for the National Capital Region," dated May 1988, conducted under the auspices of the Office of the Secretary of Defense (OSD).

The Commission notes that much of DoD-occupied administrative space in the NCR is leased, that lease costs in the NCR are among the highest in the nation, and that occupancy costs for DoD space in the NCR are expected to soar in the next ten years unless remedial action is initiated.

Consequently, the Commission endorses the broad planning goals developed in the study and urges the Secretary of Defense to consider long-range alternatives to reduce the cost of leased space in the NCR. The Commission specifically encourages the Army's public-private development plans for the Fort Belvoir Engineer Proving Ground. The development concept is to encourage the sale or exchange of the 820-acre parcel to a private developer who would, in turn, construct needed office facilities for the Department of the Army on a portion of the site, and develop the balance of the site as private office parks and residential communities. The Commission supports the passage of special legislation authorizing this public-private development and similar DoD initiatives in the National Capital Region. Certain of the Commission's recommendations with respect to Fort Meade, Maryland, are also in consonance with this concept.

Innovative Real Estate Transactions

The Army's development plan at Fort

Belvoir is illustrative of various innovative real-estate agreements being pursued by all the Services. These efforts typically lead to enhanced mission capability, consolidation of Department of Defense functions, and significant cost savings.

Another example of such transactions is the Marine Corps plan to consolidate its geographically separate activities in the Kansas City area. As a result of creative real-estate agreements, three Marine Corps functions will be collocated in the same vicinity with Army, Navy, and Air Force activities.

The Commission recommends that the Secretary of Defense establish policies and guidelines that encourage the Services to pursue innovative real-estate transactions.

Consolidation of Reserve Component Locations

In reviewing Department of Defense reserve-unit locations, the Commission found there were many opportunities for improved efficiency through closure and realignment. The Commission was reluctant, however, to include such facilities for closure and realignment, since there is no statutory guarantee that proceeds from the sale of a specific reserve activity will be applied directly to the associated relocation costs.

Therefore, the Commission recommends that the Secretary of Defense accelerate current efforts to consolidate Reserve Component locations and sponsor special legislation allowing the sale of land and facilities to fund related relocations.

Study of Military Laboratories

The Commission recognized that the numerous laboratory activities of the Department of Defense are important to maintaining necessary technological competence, but, because of time constraints, was unable to review the entire complex subject, particularly with regard to an examination of missions versus ongoing activities and the relationship between in-house and contract work. The Commission was also provided information concerning the declining R&D budget and the resultant concern that laboratory capabilities were being diluted or subsidized by activities better performed elsewhere. The Commission recommends that the Secretary of Defense establish a task force to examine these concerns. Such a review should include the development and application of a uniform set of standards designed to improve the overall effectiveness of the Department's laboratory activities, with a view toward consolidating such activities and eliminating those functions that might better be accomplished by the private sector.

Chapter 6

The Environment

As required by the charter, the Commission carefully considered the impact on the environment of base closures and realignments. The Commission process maximized the level of review possible in the relatively short period of time available. The process was not, however, intended to replace the environmental analysis required by the Base Closure and Realignment Act to be accomplished by the Secretary of Defense during actual implementation of the base closures and realignments. Overall, the statute and the procedures established by the Commission pursuant to the statute have been designed to prevent environmental requirements from being used inappropriately to block base closures or realignments. At the same time, they are designed to ensure that the environment will be fully protected in that process.

In a hearing before the House Armed Services Committee, the Secretary of Defense testified that he fully intended to comply with all the applicable environmental laws in closing or realigning bases. Nevertheless, he did seek a modification of the National Environmental Policy Act (NEPA); the Congress supported this position. Accordingly, the base-closure statute specifies that the National Environmental Policy Act does not apply to the actions of the Commission. It does apply, however, with some modifications, to the actions of the Secretary during the closing of a military installation and during the process of relocating functions from a military installation. In this regard, the base-closure statute further provides that the Secretary will not have to consider "the need for closing or realigning a military installation which has been selected for closure or realignment by the Commission; the need for transferring functions to another military installation which has been selected as the receiving installation or alternative military installations to those selected." The statute provides a 60-day limitation on a civil action for judicial review.

Even though there is no specific requirement under the statute for the Commission to consider environmental impact, the Secretary made it one of the explicit criteria of the charter. In addition, he appointed a noted environmental expert to the Commission.

The Commission held a public hearing on July 28, 1988 to receive testimony from environmental experts both inside and outside of government on the question of how the Commission should consider environmental impacts in its deliberations. Representatives of several national organizations testified. A recurring theme in their testimony was that the decision to close or realign a base would predominately rest on mission considerations rather than environmental considerations. Nevertheless, the witnesses urged that, once a decision was reached to close or realign a base, the Secretary should fully involve the public when considering appropriate mitigation measures.

The statute does not require nor has time permitted the Commission to prepare environmental assessments for its base-closure and realignment recommendations. But the Commission adopted procedures that required evaluation of closure and realignment actions on the basis of six key attributes: threatened or endangered species, wetlands, historic or archeological sites, pollution control, hazardous materials and wastes, and land uses. The Commission limited its review to active candidates for closure and realignment consideration. A large amount of data was collected in an extremely short period of time. It was taken, for the most part, from information already on record or from environmental specialists within the Department of Defense.

The Commission found that closures generally resulted in positive impacts on the environment rather than negative ones. The Commission was particularly sensitive to the issue of hazardous waste, a major problem at many military facilities. It is clear that base closure will not in itself change any obligations (or liabilities) that the Department may have regarding hazardous-waste cleanup. In some cases, the need for cleanup may affect the property disposal and reuse plan for excess property made available from the base closure or realignment. Likewise, in developing and implementing such plans, it is desirable that the Department adhere to a national goal of "no net loss" of wetlands. No closures or realignments were precluded solely on the basis of environmental considerations. Environmental findings regarding the Commission's specific base-closure recommendations are included in Appendix H.

The Commission highlighted relevant environmental concerns during the decision-making process, which should also prove to be valuable to the Department during actual implementation of base closures and realignments, especially in dealing with matters of mitigation. The Commission anticipates that public involvement will be an important element of that phase and expects the Department vigorously to continue pursuing its obligations under the law so that the base-closure program is carried out in a manner that ensures an environmentally sound result.

Chapter 7

Easing the Impact

Communities that lose military bases are naturally concerned about the impact on local business and employment. The Commission was sensitive to these concerns and, as part of its deliberations, explored the various means by which the adverse effects of base closings might be mitigated. It heard testimony to the effect that, in the past, any hardship has usually been temporary and that closures have been far less traumatic than people anticipated. Many communities that have dealt with closures have thrived. Former military bases are now being used as colleges, vocational-technical schools, industrial and office parks, and airports (see Appendix I).

The Commission heard from leaders who were prominently involved in their communities' redevelopment efforts. They testified that local economies need not suffer if the community works together with the federal and state governments to develop and execute a plan of action. The Commission feels it is imperative that this cooperation be continued and, wherever possible, improved.

The federal government established several programs to help communities and individuals affected by the wave of base closures in the early 1960s. With this help, many communities were able to make resourceful use of the former bases so that the land previously occupied by bases now provides more jobs, services, and business for the communities. Displaced employees who wanted to continue working found other employment within the Department of Defense, and many were helped in relocating their households. The programs that provided this help are basically still in place.

The Homeowners Assistance Program (HAP) was authorized by the Demonstration Cities and Metropolitan Act of 1966 to assist employees who are forced to move as a consequence of base closures. HAP is an entitlement program that pays cash benefits to people who meet the program's criteria. In general, if a homeowner displaced by a closure cannot sell his home at a reasonable price within a reasonable time, the government will buy the home for 85 percent of its value prior to the base-closing announcement; if the owner sells the house for less than this value, the government will reimburse him the difference up to 95 percent of this value. The program also provides relief if a displaced employee faces foreclosure.

The DoD Priority Placement Program is another measure that was originally established to help employees adjust to the base closures of the 1960s. The program resulted directly from Secretary McNamara's policy that every Department of Defense employee affected by a base closure would be offered another comparable job within the Department. That explicit policy has since been discontinued, but the effectiveness of the current program is essentially the same. The computerized system established to support the original policy is still in place and, over the years, has helped 90,000 employees find new assignments.

The Priority Placement Program is highly regarded. The General Accounting Office has judged it to be the most effective placement program in government. Periodic surveys have shown that 99 percent of placements are considered successful by the supervisors with whom the employees have been placed. Two thirds of the placements have maintained or advanced the employees' grades and salaries and 60 percent of placements have been within the commuting area of the original jobs. In addition, relocation expenses are paid when the new job is beyond commuting distance.

A third initiative was the President's Economic Adjustment Committee (EAC), chaired by the Secretary of Defense and including the administrators of seventeen other executive agencies who coordinate their agencies' programs on behalf of affected communities. Between 1973 and 1980, the federal agencies that constitute EAC provided between $80 and $90 million a year in assistance to communities affected by base closures. Grants for planning and infrastructure were vital in securing productive reuse of former bases. More importantly, federal money was used to leverage private investment, to improve facilities, and to provide municipal services so that the former bases could become more attractive to business.

In the 1960s, economic-adjustment assistance to communities, under the direction of the Department of Defense, was an essential part of the base closure process. DoD provided invaluable services to the affected communities, not only as the focal point for contact with the federal bureaucracy, but also as an advocate for community interests. DoD was frequently successful in expediting federal help for or removing obstacles to redevelopment. It also supplied assistance in creating and executing redevelopment plans for communities that did not know how to manage such efforts. The Commission feels strongly that such assistance needs to be an integral part of implementing its recommended base closures.

Communities can and do learn quickly and, by all accounts, the communities themselves were the heroes in the successful recoveries of the 1960s. The affected cities and towns assembled dedicated teams that not only drafted ambitious plans, but also made their cases effectively to public agencies and private companies, often travelling extensively to do so. The best of the organizers were relentless. The communities went to great lengths to make themselves and the former bases attractive to investors and business. Roads were built; sewer pipe was laid; and services were improved.

The Commission has identified five components of past successful redevelopment efforts: (1) there must be an effective local organization to provide strong leadership and overall policy direction for the recovery effort; (2) there must be a recovery action plan for redeveloping the former facility and for attracting jobs; (3) the recovery effort must focus on the entire community, taking into account the transportation network, public facilities and services, health care, housing, schools, and other attributes; (4) the community itself has to demonstrate its capacity to engage and sustain new business growth through intensive, ongoing, economic-development programs; (5) federal and state agencies must participate in and buttress this community effort by responding on a priority basis to the key actions identified in the community recovery program.

Another factor in past successful

recoveries was the ability of the Department of Defense to turn over to the communities the bases' land, facilities, and equipment. Often these assets were elaborate, substantial, and valuable. This allowed communities to make very attractive offers to would-be tenants and buyers. Roads and utilities were in place. Machines and even furniture were left behind. The attractions were therefore great, particularly for new small businesses and schools.

Circumstances have changed, however, in the years since the last major round of base closures. First, in the 1980s the federal government has made a concerted effort to realize proceeds from the disposal of assets. With regard to the recommendations of this Commission, there is a clear expectation that the Department of Defense will derive financial benefit from the sale of base-closure real estate. This expectation is evident in a reading of the legislative history of the statute that endorses the Commission's work, and the Commission believes that the Department should realize some return on its properties, especially if they are in "high-rent" districts or have some other intrinsic value. This objective can conflict with the communities' interests, however. Communities would often prefer that properties be conveyed expeditiously so that economic recovery can get off to a quick start, and the government's waiting for reasonable bids may frustrate that goal.

To help mitigate this situation, the Department of Defense should develop an efficient and time-sensitive property-disposal strategy for the transfer of land and facilities for redevelopment. In addition, the President's Economic Adjustment Committee should immediately offer to help all affected communities plan for the reuse of the land and facilities of the closing bases. Time is a particularly precious commodity for private investors. When a community has assembled a package that includes private investment, success often depends on getting real-estate matters settled so that redevelopment can proceed.

As quickly as possible, the Department should develop schedules for phasing down activity on bases to be closed and for their ultimate closure. Communities should be informed of these schedules. In particular, contractors who provide services to bases should be told where they stand in light of these schedules.

Another change from the 1960s has been the proliferation of competing interests for the use of federal property, particularly for social ends such as sheltering the homeless, drug rehabilitation, and prisons. There are also longer-standing policies and laws regarding conveyance of property, often without reimbursement, for airports, schools, hospitals, parks, and other public uses. Finally, local interest groups or the communities themselves may prefer to dedicate properties to public uses, such as government facilities or parkland, rather than commercial development.

The community may decide to develop and implement a balanced, community-based, land-reuse plan that takes all interests into consideration. The federal government can contribute to the success of this approach in several ways. First, the Department of Defense can, when requested, provide technical assistance and funds to help develop a plan. Second, federal agencies that by statute are given an option on base facilities should exercise such options quickly, and only if funds are available for the operations to be put on the land. Also, federal agencies should position their facilities on the base in the least intrusive manner possible to preserve the greatest flexibility for use of the remaining property. Third, the same principle of minimum intrusion should be applied with regard to federal laws and regulations that prescribe the use of federal property for functions such as drug rehabilitation and shelter for the homeless.

Within the last decade there has been a diminution of federal money available to assist affected communities. Between 1966 and 1986, the federal government, under the auspices of the President's Economic Adjustment Committee, provided $503 million in adjustment assistance to communities impacted by base realignments and closures, but most of the federal programs that provided this money have been curtailed or eliminated during the 1980s. Between 1975 and 1980, the Economic Development Administration (EDA) gave $57.5 million to 31 base redevelopment projects. EDA now has only $12 million for economic adjustment grants. This trend, shared by other federal agencies such as the Department of Housing and Urban Development and the Farmers Home Administration, poses a problem.

If sufficient federal monies are to be available to give assistance to affected communities, Congress should consider expanding these programs. In addition, under the base-closure statute, the Secretary of Defense is authorized to provide economic-adjustment and community-planning assistance if financial resources from other sources are inadequate. The Commission recommends that the Congress increase funding for this program. No specific funding levels are recommended here since the need cannot be predicted in advance and, until the communities draw up their plans, the extent of required federal redevelopment assistance will not be clear.

A positive change since the 1960s has been the substantial growth in state development agencies. Every state now has such an agency, with budgets ranging from $360 thousand to over $180 million. The average is $17.5 million with 110 employees. These agencies provide technical and managerial assistance, trade promotion, financial aid, training programs, and tax incentives. They have grown adept at attracting investments, including in some cases setting up offices in foreign countries to attract investment, and have combined to begin a collective, taxable-bond initiative to provide alternative financing for state and local projects.

The gap caused by reductions in federal development programs has been largely filled by state development agencies. The one example of concerted state action during an earlier round on base closures was a resounding success, and bodes well for future state involvement. The Governor of Massachusetts established the Massachusetts Base Closing Commission in the 1960s to deal with the closing of Boston Army Base and the Boston Shipyard. This commission assembled a professional staff and contracted for studies that addressed the redevelopment of these sites. Consequently, the Commonwealth of Massachusetts was able to contribute indispensable help to affected communities. It is reasonable to expect that today's more-seasoned state development agencies will be full partners in helping communities recover from the closings.

With respect to employment, the federal government should provide whatever assistance it can to help affected communities develop or expand job placement offices. Defense Department personnel should be fully informed of the programs that are available to help them, particularly the Homeowners Assistance Program and the Priority Placement Program. The Commission recommends that civilian employees who lose their jobs as a consequence of base realignments or closures be guaranteed other jobs within the Department. Whenever possible, those jobs should be at least at the employees' current grade and located geographically where the employees want to be. Past experience suggests that this is feasible in many cases.

Additional resources will be required to mitigate the impact of base closings on government employees. The Homeowners Assistance Program will require additional money for its revolving fund. The fund is replenished by the proceeds from the sale or rental of properties that the government purchased under the program, and also by Congressional appropriation. Since there have been no base closures for ten years, HAP has been largely inactive, receiving no appropriations from 1984 to 1986. For 1989, the program has received an appropriation of $2 million, but an ongoing realignment is expected to use this money. The average cost of a case has been running about $23 thousand, but administrators of the program believe that a more reasonable estimate would be $30 thousand for cases resulting from this Commission's recommendations. Therefore, Congress must appropriate a substantial sum for HAP if it is to meet its obligations to the people who will be eligible for the program.

Not every base closure has led to economic recovery. Some communities have done better than others. Certainly, it helps when a base is located in a metropolitan area where land values are high and the economic infrastructure is well developed. When a base is closed in a remote, rural community, however, redevelopment is more difficult. While the federal government can provide a degree of mitigation, its ability to relieve the full impact of a base closing is limited. The federal government must work closely with communities, placing special emphasis and focusing resources on the needs of those where recovery is not a foregone conclusion.

In summary, the Commission recognizes that implementation of its base-closure recommendations will create concern in communities that will be affected. The Commission urges these communities to treat these actions not as problems, but as opportunities. Communities should take advantage of the programs outlined in this chapter and expend their energy enhancing the opportunities. Experience has shown that if the affected communities, teamed with the appropriate federal officials, will work aggressively to create new opportunities, recovery will be rapid and communities will emerge even stronger.

Chapter 8

A Look Ahead

The Commission, reflecting on the circumstances that led to its formation, and having invested a great deal of thought and effort in developing both a process for reviewing military installations and a list of recommended actions, would like to believe that lessons drawn from this experience could be applied constructively in the future. The base structure should properly be derived from the force structure, which in turn should reflect national security strategy. That strategy must change over time in response to changes in the external strategic environment and may also be altered to reflect internal fiscal or political realities. The Commission believes that the nation's interests will be best served by an ongoing base-management process that is responsive to change.

The Future Strategic Environment

Some of the more dramatic trends or circumstances that could occur over the next two decades might be a significant change in the threat, a potential reassessment of priorities within the Soviet Union, the negotiation of far-reaching arms-reduction agreements, the emergence of new major powers and alliances, an increasing number of Third World contingencies, and the continued development and fielding of long-range advanced-technology weapons--nuclear and non-nuclear, both offensive and defensive.

The number of overseas bases available for use by American forces is considerably lower than it was immediately after World War II. With fewer forward bases and increasingly limited access to overseas ports, airfields, and even airspace, U.S. forces will have to be better prepared to provide direct support of overseas operations from bases in the United States.

Additional uncertainties nagging at future U.S. basing needs include possible shifts in alliances or force-reduction agreements that could prompt a return of sizable numbers of forward-based forces to the United States. While returning forces might be inactivated under terms of an agreement, or in response to budget constraints, if the United States intends to maintain a capability to project forces into the theaters from which they have been withdrawn, these will need to be retained in the force structure. In that event, a larger home-based strategic reserve of ground, air, and naval forces might consist of new blends of active and reserve components. There already exists a clear trend toward meeting current budget realities and force requirements with greater reliance on Reserve-Component forces, with some concomitant reduction in the number of active-duty personnel and units. Of the Army's overseas deploying forces in time of emergency, 70 percent come from the Reserve Components. The Air Force, for its part, plans to reduce the number of tactical-fighter wings from the 38 it presently has to 35 in FY 1990, having set aside for the time being its ultimate goal of equipping and manning 40 wings. Possible implications for basing associated with this trend might be fewer facilities such as housing for the active force, and perhaps more, widely dispersed, training areas accessible to reserve units, whose members live throughout the United States.

It follows that the future military base structure in the United States would need to have an elasticity to support a rapid force expansion and the wherewithal (in terms of airlift, sealift, and aerial refueling) to underwrite a global mobility capacity greater and more versatile than that of today.

Another set of base requirements could emerge from long-range new-technology weapons. Requirements for space-borne command, control, communications, and intelligence are expected to increase substantially and be critical for future wartime operations, and the U.S.-based ground facilities providing linkage with space platforms will grow in number as well.

All of this cautions against taking base-closure actions today that may adversely affect the deterrence and defense capacity of tomorrow's military forces. It also means that if popular paradigms were adopted that see U.S. bases predominantly in their peacetime roles or in terms restricted to peacetime cost-effectiveness, national defense risks would be increased. Unused capacity at military bases allows room for future force structure changes, rapid expansion in conflict, and potential dispersal for wartime operations.

Desirable Features of a Future Process

To be successful, future base management must be an integral part of our political system, an open process that builds on the trust of the American people. The process should be aboveboard and based on sound criteria that emphasize military value. Such a process will best serve the national defense and assure the public that basing decisions are made independent of unfounded biases from any quarter.

The future base-management process should have a healing effect. It should be structured in such a way that over time greater bonds of trust and confidence between members of Congress and the Defense Department can be built. While the management of the nation's military base structure is the responsibility of the Secretary of Defense, the Congress is clearly a partner in matters of national defense. The Military Departments and the Joint Chiefs of Staff also have essential roles to play in the process. The nation's interests would not be served by a continuation of the unworkable process that led to the formation of this Commission.

A Proposed Mechanism

While an *ad hoc* commission similar to the present one may be useful, from time to time, in dealing with extraordinary problems of government, such an arrangement should not become a routine means for evaluating bases or addressing other subjects that are part of the day-to-day business of governing. This Commission's work can be an important step in clearing the way for creation of a sound process of base evaluation, realignment, and closure. We need to build on the cooperation and impetus achieved by this legislative-executive effort, drawing on the lessons learned during the Commission's study of basing needs, and defining consistent rules to assist in making decisions on future realignments and closures.

It is important to the success of any future process that it be straightforward, methodical and understandable. The Commission believes that the process it developed is an appropriate starting point; it can, however, be improved. Specifically:

-- The process should not be so constrained by time. The process used by this Commission was an iterative one requiring the development and testing of many options. Prevailing circumstances (the delay in passing the enabling legislation and the reality of the election timetable) forced the Commission to accomplish Phase II of the process, the heart of its task, between the elections in November and the date of this report. While some six months prior to November were spent in assembling data and receiving testimony from expert witnesses (see Appendix J), the time spent developing specific recommendations was constrained. In the future, this Phase II effort should be allotted more time--probably 90 to 180 days.

-- The six-year payback used in the Commission's evaluation is too limiting. The Commission did not discover the genesis of this requirement, but as a result of its application, many otherwise sound actions were discarded. Most actions require substantial "up-front" costs to accommodate relocating units, and even significant steady-state savings may not amortize the "up-front" costs of a desirable action in six years.

-- A ruling by the Defense Department Counsel, based on the history of the enabling legislation, prevented the Commission from recommending actions on government-owned, contractor-operated (GOCO) facilities. The Commission believes that there are opportunities for closure and realignment among the GOCO facilities and that they should be examined in any future process.

-- By virtue of the time constraint discussed above, several areas that appear to have the potential for further savings were not included to any great extent in the Commission's recommended closures and realignments. Two of these, Reserve Component facilities and military laboratories, are addressed in Chapter 5.

-- The staff of the Commission consisted of dedicated, informed, and hard-working people. The senior staff were Defense Department personnel detailed to the Commission and outside experts hired by the Commission to bring special expertise to the process, as required by the enabling legislation. The staff role in this process is extremely difficult because (1) they must have detailed knowledge of the basing structure to include the associated force structure--they must "know the Pentagon", but (2) they must be independent of the Pentagon and supply the Commission with accurate data and analyses. Quite often the staff found itself in conflict with the Department viewpoint and getting detailed data and support on such complex subjects from already burdened Department officials was often difficult. Despite these built-in difficulties, the staff performed extremely well. Should there be a future commission, this Commission hopes that appropriate legislation would be passed in a more timely manner so that rules would be adopted and independent staff hired in a more orderly fashion.

Given the need to preserve the linkages among strategy, force structure, and base structure, the Secretary of Defense is best suited to execute the nation's base-management responsibilities, including the acquiring and disposing of real estate, and realigning and rearranging the base structure. This management function must be supported by a consistent, ongoing, base-review process within the Defense Department that looks to the long term. The Office of the Secretary of Defense, the Services, the Joint Chiefs of Staff, and the Unified and Specified Commanders should share in the responsibility of making recommendations to the Secretary on base realignment and closure. At the same time, members of Congress must have confidence in the Department's internal process. The factors to be used in the future base-management process should be auditable and open to the Congress.

One way of satisfying this requirement would be through the creation of a standing, external advisory panel that oversees and verifies the analytical efforts within the Department of Defense. Such a panel, composed of senior experts, could be convened as necessary to render an independent judgment on proposed base realignments and closures. Appointed by the Secretary of Defense, in consultation with Congressional leadership, the panel members would be expected to examine the DoD analyses that led to identification of a base-management action, providing commentaries on their validity and maintaining a broad perspective on related national issues. The advisory panel would report its findings and observations to the Secretary for review and comment before the proposed action, along with the advisory panel's findings, was submitted to Congress.

This approach could answer the need to ensure that the Secretary of Defense leads the base-management process, while providing an effective means of Congressional participation and support. So long as the process, combining DoD's internal analytical efforts and an external advisory panel, is conducted openly and on the basis of sound and consistently applied criteria, it should provide a workable means for base realignments and closures. Such a process should strengthen our defense by allowing cost-effective use of resources and set the foundation for greater legislative-executive trust in managing the nation's military bases.

APPENDICES

Appendix A

Charter

Defense Secretary's Commission on Base Realignment and Closure

In accordance with the provisions of the Federal Advisory Committee Act, as amended (5U.S.C. App. I), a Commission on Base Realignment and Closure is hereby ordered as follows:

Section 1. Establishment.

There is established the Defense Secretary's Commission on Base Realignment and Closure. The Commission shall be composed of twelve members appointed or designated by the Secretary of Defense. The composition of the Commission shall include persons with broad experience in government and national defense. The Secretary shall designate two Chairpersons from among the members of the Commission.

Section 2. Functions.

The Commission shall study the issues surrounding military base realignment and closure within the United States, it's commonwealths, territories, and possessions. The primary objectives of the Commission shall be to:

A. Determine, by November 15, 1988, the best process, including necessary administrative changes, for identifying bases to be closed or realigned; how to improve and best use Federal government incentive programs to overcome the negative impact of base closure or realignment; and, the criteria for realigning and closing bases to include at least:

  1. The current and future mission requirements and the impact on operational readiness of the military departments concerned.
  2. The availability and condition of land and facilities at both the existing and potential receiving locations.
  3. The potential to accommodate contingency, mobilization, and future force requirements at receiving locations.
  4. The cost and manpower implications.
  5. The extent and timing of potential cost savings, including whether the total cost savings realized from the closure or realignment of the base will, by the end of the 6-year period beginning with the date of the completion of the closure or realignment of the base, exceed the amount expended to close or realign the base.
  6. The economic impact on the community in which the base to be closed or realigned is located.
  7. The community support at the receiving locations.
  8. The environmental impact.
  9. The implementation process involved.

B. Review the current and planned military base structure in light of force structure assumptions, and the process and criteria developed pursuant to subparagraph A, and identify which bases should be closed or realigned.

C. Report its findings and recommendations to the Secretary of Defense by December 31, 1988.

Section 3. Administration.

Members of the Commission shall serve without compensation for their work on the Commission. However, members appointed from among private citizens may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the government service (5U.S.C. 5701-5707), to the full extent funds are available. The Secretary of Defense shall provide the Commission with such administrative services, facilities, staff, and other support services as may be necessary. Any expenses of the Commission shall be paid from such funds as may be available to the Secretary of Defense.

The Commission shall be in place and operating as soon as possible. Shortly thereafter, the Commission shall brief the Secretary of Defense on the Commission's plan of action. The Commission's final report shall include recommendations to realign and close bases only upon a vote of a majority of the members of the Commission. The Commission should complete its work by December 31, 1988.

Frank Carlucci
Secretary of Defense

The Pentagon
May 3, 1988
(as revised November 8, 1988)

Apppendix B

Base Closure and Realignment Act

Public Law 100-526
100th Congress

An Act

To provide certain additional fiscal year 1989 defense authorization policies, to provide procedures to facilitate the closure and realignment of obsolete or unnecessary military installations, and for other purposes.

Oct. 24, 1988
[S. 2749]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Defense Authorization Amendments and Base Closure and Realignment Act.
10 USC 2687 note.

SECTION 1. SHORT TITLE

This Act may be cited as the "Defense Authorization Amendments and Base Closure and Realignment Act".

TITLE II—CLOSURE AND REALIGNMENT OF MILITARY INSTALLATIONS

SEC. 201. CLOSURE AND REALIGNMENT OF MILITARY INSTALLATIONS

The Secretary shall—

(1) close all military installations recommended for closure by the Commission on Base Realignment and Closure in the report transmitted to the Secretary pursuant to the charter establishing such Commission;

(2) realign all military installations recommended for realignment by such Commission in such report; and

(3) initiate all such closures and realignments no later than September 30, 1991, and complete all such closures and realignments no later than September 30, 1995, except that no such closure or realignment may be initiated before January 1, 1990.

SEC. 202. CONDITIONS

(a) IN GENERAL.—The Secretary may not carry out any closure or realignment of a military installation under this title unless—

Reports.

(1) no later than January 16, 1989, the Secretary transmits to the Committees on Armed Services of the Senate and the House of Representatives a report containing a statement that the Secretary has approved, and the Department of Defense will implement, all of the military installation closures and realignments recommended by the Commission in the report referred to in section 201(1);

(2) the Commission has recommended, in the report referred to in section 201(1), the closure or realignment, as the case may be, of the installation, and has transmitted to the Committees on Armed Services of the Senate and the House of Representatives a copy of such report and the statement required by section 203(b)(2); and

(3) the Secretary of Defense has transmitted to the Commission the study required by section 206(b).

(b) Joint Resolution.—The Secretary may not carry out any closure or realignment under this title if, within the 45-day period beginning on March 1, 1989, a joint resolution is enacted, in accordance with the provisions of section 208, disapproving the recommendations of the Commission. The days on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain shall be excluded in the computation of such 45-day period.

(c) Termination of Authority.—The authority of the Secretary to carry out any closure or realignment under this title shall terminate on October 1, 1995.

SEC. 203. THE COMMISSION

(a) Membership.—The Commission shall consist of 12 members appointed by the Secretary of Defense.

(b) Duties.—The Commission shall—

Reports.

(1) transmit the report referred to in section 201(1) to the Secretary no later than December 31, 1988, and shall include in such report a description of the Commission's recommendations of the military installations to which functions will be transferred as a result of the closures and realignments recommended by the Commission; and

Reports.

(2) on the same date on which the Commission transmits such report to the Secretary, transmit to Committees on Armed Services of the Senate and the House of Representatives—

(A) a copy of such report; and

(B) a statement certifying that the Commission has identified the military installations to be closed or realigned by reviewing all military installations inside the United States, including all military installations under construction and all those planned for construction.

(c) Staff.—Not more than one-half of the professional staff of the Commission shall be individuals who have been employed by the Department of Defense during calendar year 1988 in any capacity other than as an employee of the Commission.

SEC. 204. IMPLEMENTATION

(a) In General.—In closing or realigning a military installation under this title, the Secretary—

(1) subject to the availability of funds authorized for and appropriated to the Department of Defense for use in planning and design, minor construction, or operation and maintenance and the availability of funds in the Account, may carry out actions necessary to implement such closure or realignment, including the acquisition of such land, the construction of such replacement facilities, the performance of such activities, and the conduct of such advance planning and design as may be required to transfer functions from such military installation to another military installation;

Community development.

(2) subject to the availability of funds authorized for and appropriated to the Department of Defense for economic adjustment assistance or community planning assistance and the availability of funds in the Account, shall provide—

(A) economic adjustment assistance to any community located near a military installation being closed or realigned; and

(B) community planning assistance to any community located near a military installation to which functions will be transferred as a result of such closure or realignment,

if the Secretary determines that the financial resources available to the community (by grant or otherwise) for such purposes are inadequate; and

Environmental protection.
Waste disposal.
Hazardous materials.

(3) subject to the availability of funds authorized for and appropriated to the Department of Defense for environmental restoration and the availability of funds in the Account, may carry out activities for the purpose of environmental restoration, including reducing, removing, and recycling hazardous wastes and removing unsafe buildings and debris.

(b) MANAGEMENT AND DISPOSAL OF PROPERTY.—(1) The Administrator of General Services shall delegate to the Secretary, with respect to excess and surplus real property and facilities located at a military installation closed or realigned under this title—

(A) the authority of the Administrator to utilize excess property under section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483);

(B) the authority of the Administrator to dispose of surplus property under section 203 of that Act (40 U.S.C. 484); and

(C) the authority of the Administrator to grant approvals and make determinations under section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)).

(2)(A) Subject to subparagraph (B), the Secretary shall exercise authority delegated to the Secretary pursuant to paragraph (1) in accordance with—

(i) all regulations in effect on the date of the enactment of this title governing utilization of excess property and disposal of surplus property under the Federal Property and Administrative Services Act of 1949; and

(ii) all regulations in effect on the date of the enactment of this title governing the conveyance and disposal of property under section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)).

(B) The Secretary, after consulting with the Administrator of General Services, may issue regulations that are necessary to carry out the delegation of authority required by paragraph (1).

(C) The authority required to be delegated by paragraph (1) to the Secretary by the Administrator of General Services shall not include the authority to prescribe general policies and methods for utilizing excess property and disposing of surplus property.

State and local governments.

(D) Before any action may be taken with respect to the disposal of any surplus real property or facility located at any military installation to be closed or realigned under this title, the Secretary shall consult with the Governor of the State and the heads of the local governments concerned for the purpose of considering any plan for the use of such property by the local community concerned.

(E) The provisions of this paragraph and paragraph (1) are subject to paragraphs (3) and (4).

(3) Before any action is taken with respect to the disposal or transfer of any real property or facility located at a military installation to be closed or realigned under this title, the Secretary shall notify all departments and other instrumentalities (including nonappropriated fund instrumentalities) within the Department of Defense of the availability of such property or facility, or portion thereof, and may transfer such property, facility, or portion, without reimbursement, to any such department or instrumentality. In carrying out this paragraph, the Secretary shall give a priority, and shall transfer, to any such department or other instrumentality that agrees to pay fair market value for the property or facility, or portion thereof. For purposes of this paragraph, fair market value shall be determined on the basis of the use of the property or facility on December 31, 1988. This paragraph shall take precedence over any other provision of this title or other provision of law with respect to the disposal or transfer of real property or facility located at a military installation to be closed or realigned under this title.

(4)(A) Except as provided in subparagraph (B), all proceeds—

(i) from any transfer under paragraph (3); and

(ii) from the transfer or disposal of any other property or facility made as a result of a closure or realignment under this title,

shall be deposited into the Account established by section 207(a)(1).

(B) In any case in which the General Services Administration is involved in the management or disposal of such property or facility, the Secretary shall reimburse the Administrator of General Services from the proceeds of such disposal, in accordance with section 1535 of title 31, United States Code, for any expenses incurred in such activities.

(c) APPLICABILITY OF OTHER LAW.—(1) The provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall not apply to—

(A) the actions of the Commission, including selecting the military installations which the Commission recommends for closure or realignment under this title, recommending any military installation to receive functions from an installation to be closed or realigned, and making its report to the Secretary and the committees under section 203(b); and

(B) the actions of the Secretary in establishing the Commission, in determining whether to accept the recommendations of the Commission, in selecting any military installation to receive functions from an installation to be closed or realigned, and in transmitting the report to the Committees referred to in section 202(a)(1).

(2) The provisions of the National Environmental Policy Act of 1969 shall apply to the actions of the Secretary (A) during the process of the closing or realigning of a military installation after such military installation has been selected for closure or realignment but before the installation is closed or realigned and the functions relocated, and (B) during the process of the relocating of functions from a military installation being closed or realigned to another military installation after the receiving installation has been selected but before the functions are relocated. In applying the provisions of such Act, the Secretary shall not have to consider—

(i) the need for closing or realigning a military installation which has been selected for closure or realignment by the Commission;

(ii) the need for transferring functions to another military installation which has been selected as the receiving installation; or

(iii) alternative military installations to those selected.

Claims. (3) A civil action for judicial review, with respect to any requirement of the National Environmental Policy Act of 1969 to the extent such Act is applicable under paragraph (2), or with respect to any requirement of the Commission made by this title, of any action or failure to act by the Secretary during the closing, realigning, or relocating referred to in clauses (A) and (B) of paragraph (2), or of any action or failure to act by the Commission under this title, may not be brought later than the 60th day after the date of such action or failure to act.

SEC. 205. WAIVER

The Secretary may carry out this title without regard to—

(1) any provision of law restricting the use of funds for closing or realigning military installations included in any appropriation or authorization Act; and

(2) the procedures set forth in sections 2662 and 2687 of title 10, United States Code.

SEC. 206. REPORTS

(a) IN GENERAL.—As part of each annual budget request for the Department of Defense, the Secretary shall transmit to the appropriate committees of Congress—

(1) a schedule of the closure and realignment actions to be carried out under this title in the fiscal year for which the request is made and an estimate of the total expenditures required and cost savings to be achieved by each such closure and realignment and of the time period in which these savings are to be achieved in each case, together with the Secretary's assessment of the environmental effects of such actions; and

(2) a description of the military installations, including those under construction and those planned for construction, to which functions are to be transferred as a result of such closures and realignments, together with the Secretary's assessment of the environmental effects of such transfers.

(b) STUDY.—(1) The Secretary shall conduct a study of the military installations of the United States outside the United States to determine if efficiencies can be realized through closure or realignment of the overseas base structure of the United States. Not later than October 15, 1988, the Secretary shall transmit a report of the findings and conclusions of such study to the Commission and to the Committees on Armed Services of the Senate and the House of Representatives. In developing its recommendations to the Secretary under this title, the Commission shall consider the Secretary's study.

(2) Upon request of the Commission, the Secretary shall provide the Commission with such information about overseas bases as may be helpful to the Commission in its deliberations.

(3) The Commission, based on its analysis of military installations in the United States and its review of the Secretary's study of the overseas base structure, may provide the Secretary with such comments and suggestions as it considers appropriate regarding the Secretary's study of the overseas base structure.

SEC. 207. FUNDING

(a) ACCOUNT.—(1) There is hereby established on the books of the Treasury an account to be known as the "Department of Defense Base Closure Account" which shall be administered by the Secretary as a single account.

(2) There shall be deposited into the Account—

(A) funds authorized for and appropriated to the Account with respect to fiscal year 1990 and fiscal years beginning thereafter;

(B) any funds that the Secretary may, subject to approval in an appropriation Act, transfer to the Account from funds appropriated to the Department of Defense for any purpose, except that such funds may be transferred only after the date on which the Secretary transmits written notice of, and justification for, such transfer to the appropriate committees of Congress; and

(C) proceeds described in section 204(b)(4)(A).

(3)(A) The Secretary may use the funds in the Account only for the purposes described in section 204(a).

(B) When a decision is made to use funds in the Account to carry out a construction project under section 204(a)(1) and the cost of the project will exceed the maximum amount authorized by law for a minor construction project, the Secretary shall notify in writing the appropriate committees of Congress of the nature of, and justification for, the project and the amount of expenditures for such project. Any such construction project may be carried out without regard to section 2802(a) of title 10, United States Code.

Reports. (4) No later than 60 days after the end of each fiscal year in which the Secretary carries out activities under this title, the Secretary shall transmit a report to the appropriate committees of Congress of the amount and nature of the deposits into, and the expenditures from, the Account during such fiscal year and of the amount and nature of other expenditures made pursuant to section 204(a) during such fiscal year.

(5) Unobligated funds which remain in the Account after the termination of the authority of the Secretary to carry out a closure or realignment under this title shall be held in the Account until transferred by law after the appropriate committees of Congress receive the report transmitted under paragraph (6).

Reports. (6) No later than 60 days after the termination of the authority of the Secretary to carry out a closure or realignment under this title, the Secretary shall transmit to the appropriate committees of Congress a report containing an accounting of—

(A) all the funds deposited into and expended from the Account or otherwise expended under this title; and

(B) any amount remaining in the Account.

SEC. 208. CONGRESSIONAL CONSIDERATION OF COMMISSION REPORT

(a) Terms of the Resolution.—For purposes of section 202(b), the term "joint resolution" means only a joint resolution which is introduced before March 15, 1989, and—

(1) which does not have a preamble;

(2) the matter after the resolving clause of which is as follows: "That Congress disapproves the recommendations of the Commission on Base Realignment and Closure established by the Secretary of Defense as submitted to the Secretary of Defense on ", the blank space being appropriately filled in; and

(3) the title of which is as follows: "Joint resolution disapproving the recommendations of the Commission on Base Realignment and Closure.".

(b) Referral.—A resolution described in subsection (a), introduced in the House of Representatives shall be referred to the Committee on Armed Services of the House of Representatives. A resolution described in subsection (a) introduced in the Senate shall be referred to the Committee on Armed Services of the Senate.

(c) Discharge.—If the committee to which a resolution described in subsection (a) is referred has not reported such resolution (or an identical resolution) before March 15, 1989, such committee shall be, as of March 15, 1989, discharged from further consideration of such resolution, and such resolution shall be placed on the appropriate calendar of the House involved.

(d) Consideration.—(1) On or after the third day after the date on which the committee to which such a resolution is referred has reported, or has been discharged (under subsection (c)) from further consideration of, such a resolution, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution (but only on the day after the calendar day on which such Member announces to the House concerned the Member's intention to do so). All points of order against the resolution (and against consideration of the resolution) are waived. The motion is highly privileged in the House of Representatives and is privileged in the Senate and is not debatable. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the respective House shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the resolution shall remain the unfinished business of the respective House until disposed of.

(2) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. An amendment to the resolution is not in order. A motion further to limit debate is in order and not debatable. A motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order. A motion to reconsider the vote by which the resolution is agreed to or disagreed to is not in order.

(3) Immediately following the conclusion of the debate on a resolution described in subsection (a) and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(e) CONSIDERATION BY OTHER HOUSE.—(1) If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection (a), then the following procedures shall apply:

(A) The resolution of the other House shall not be referred to a committee and may not be considered in the House receiving it except in the case of final passage as provided in subparagraph (B)(ii).

(B) With respect to a resolution described in subsection (a) of the House receiving the resolution—

(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(ii) the vote on final passage shall be on the resolution of the other House.

(2) Upon disposition of the resolution received from the other House, it shall no longer be in order to consider the resolution that originated in the receiving House.

(f) RULES OF THE SENATE AND HOUSE.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of

that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 209. DEFINITIONS

In this title:

(1) The term "Account" means the Department of Defense Base Closure Account established by section 207(a)(1).

(2) The term "appropriate committees of Congress" means the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives.

(3) The terms "Commission on Base Realignment and Closure" and "Commission" mean the Commission established by the Secretary of Defense in the charter signed by the Secretary on May 3, 1988, and as altered thereafter with respect to the membership and voting.

(4) The term "charter establishing such Commission" means the charter referred to in paragraph (3).

(5) The term "initiate" includes any action reducing functions or civilian personnel positions but does not include studies, planning, or similar activities carried out before there is a reduction of such functions or positions.

(6) The term "military installation" means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the Secretary of a military department.

(7) The term "realignment" includes any action which both reduces and relocates functions and civilian personnel positions.

(8) The term "Secretary" means the Secretary of Defense.

(9) The term "United States" means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, American Samoa, and any other commonwealth, territory, or possession of the United States.

Approved October 24, 1988.

LEGISLATIVE HISTORY—S. 2749 (H.R. 4264):

HOUSE REPORTS: No. 100-1076 (Comm. of Conference); No. 100-563 (Comm. on Armed Services) and No. 100-753 (Comm. of Conference), both accompanying H.R. 4264.
CONGRESSIONAL RECORD, Vol. 134 (1988):
    Apr. 26-29, May 2-5, 11, H.R. 4264 considered and passed House.
    May 27, considered and passed Senate, amended, in lieu of S. 2355.
    July 14, House and Senate agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 24 (1988):
    Aug. 3, Presidential veto message of H.R. 4264.
CONGRESSIONAL RECORD, Vol. 134 (1988):
    Aug. 11, S. 2749 considered and passed Senate.
    Oct. 3, considered and passed House, amended.
    Oct. 12, Senate and House agreed to conference report to S. 2749.

Appendix C

Commissioner Biographies

The Honorable Abraham A. Ribicoff, Co-Chairman, is a former Governor of Connecticut, Congressman, and Senator. He served as the Secretary of Health, Education, and Welfare under President Kennedy. Senator Ribicoff is Special Counsel to the New York law firm of Kaye, Scholer, Fierman, Hays & Handler.

The Honorable Jack Edwards, Co-Chairman, is a former Congressman from Alabama. While a Congressman, he was a member of the House Appropriations Committee, and was the Ranking Minority Member of the Defense Subcommittee. Congressman Edwards is a partner in the law firm of Hand, Arendall, Bedsole, Greaves & Johnston, in Mobile, Alabama.

Mr. Louis W. Cabot is a former Chairman of the Board of the Cabot Corporation. He was also a Member of the President's Blue Ribbon Commission on Defense Management. Mr. Cabot is the Chairman of the Board of the Brookings Institution, located in Washington, D.C.

The Honorable W. Graham Claytor, Jr., is a former Secretary of the Navy and Deputy Secretary of Defense. Mr. Claytor is the Chairman of the Board and President of the National Railroad Passenger Corporation (AMTRAK), located in Washington, D.C.

Mr. Donald F. Craib, Jr., is the former Chairman and CEO of Allstate Insurance, Co. He currently resides in Las Vegas, Nevada.

The Honorable Thomas F. Eagleton is a former Senator from the State of Missouri. He also served as Missouri's Lieutenant Governor and Attorney General. While a Senator, he was a member of the Defense Appropriations Subcommittee. Senator Eagleton is a member of the St. Louis law firm of Thomas & Mitchell and a Professor of Public Affairs at Washington University, St. Louis, Missouri.

The Honorable Martin R. Hoffmann is a former Defense General Counsel and Secretary of the Army. Mr. Hoffmann is a managing partner in the Washington, D.C. office of the Chicago, Illinois law firm of Gardner, Carton & Douglas.

General Bryce Poe, II, USAF (Ret), is a former Vice Commander-in-Chief, U.S. Air Force (Europe), and a former Commander of the U.S. Air Force Logistics Command. General Poe currently resides in Alexandria, Virginia.

Vice Admiral William H. Rowden, USN (Ret), is a former Commander of the Sixth Fleet, Military Sealift Command, and the Naval Sea Systems Command. Admiral Rowden resides in Alexandria, Virginia.

Dr. James C. Smith is a former staff member of the U.S. Senate Armed Services Committee. Dr. Smith is President of the Commercial Group, CRS Sirrine, Inc., an engineering and construction company located in Houston, Texas.

General Donn A. Starry, USA (Ret), is a former Commanding General of the U.S. Army Training and Doctrine Command, and a former Commander-in-Chief of the Readiness Command. General Starry is presently Executive Vice President of Ford Aerospace Corporation.

The Honorable Russell E. Train is a former Under Secretary of the Interior, first Chairman of the Council on Environmental Quality, and Administrator of the Environmental Protection Agency. Currently, Mr. Train is the Chairman of the Board for the World Wildlife Fund and the Conservation Foundation, located in Washington, D.C., and of Clean Sites, Inc., located in Alexandria, Virginia.

Appendix D

Commission Staff

Hayden G. Bryan, *Executive Director*
Jay Winik, *Deputy Executive Director*
Douglas B. Hansen,* *Executive Secretary and Research Director*
Russel E. Milnes,* *Counsel*

PROFESSIONAL AND TECHNICAL STAFF

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ADMINISTRATIVE STAFF

MAJ Nancy J. Gordon, USA
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CPT Chris Sherry, USAF
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SGT Greg E. Strong, USAF
1LT Lisa Tucker, USAF
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* DoD employees (reference Section 203(C), P.L. 100-526)

Appendix E

Installation Task Forces and Categories

TASK FORCE	CATEGORY
Ground	Operating Ground
	Operating Troops
Air	Operating Tactical Aircraft
	Operating Strategic Aircraft
	Operating Mobility Aircraft
	Operating Missiles
	Flying Training
Sea	Operating Surface Ships
	Operating Submarines
Training and Administration	Headquarters
	Training Classrooms
Depot	Maintenance Depots
	Supply Depots
	Munitions Facilities
	Industrial Facilities
	Production Facilities
All Other	Guard & Reserve Centers
	Communications/Intelligence Sites
	R&D Laboratories
	Special Operations Bases
	Space Operations Centers
	Medical Facilities

Appendix F

Military Value Factors and Physical Attributes

FACTORS	PHYSICAL ATTRIBUTES
Mission Suitability	Site-Specific Mission
	Deployment Means
	Relationship to Other Activities
	Weather/Terrain/Land Use
	Survivability
	Maneuver Space
Availability of Facilities	Operations
	Support
	Infrastructure
	Administration
Quality of Facilities	Condition
	Technology
	Configuration
Quality of Life	Family Housing
	Bachelor Housing
	Recreation/Amenities
	Medical
Community Support	Work Force
	Commercial Transport
	Infrastructure
	Complementary Industry

Appendix G

The Commission's Cost-Estimating Model

The Commission developed a model to capture the essential costs and savings resulting from realignments and closures. The model was used in determining whether the six-year payback guideline in the Charter had been achieved.

The model uses standard cost factors to convert into dollar values the actions required by the suggested options. Each Service was encouraged to provide the Commission with an assessment of the viability of the model as an estimating tool. Their responses indicated that planning and accounting mechanisms were sufficiently different to warrant Service-specific cost factors. The Services were required to document the source of their factors to the Commission.

In addition to the Service-specific factors, the model takes local cost factors into account. This was essential to determining the potential for reducing overhead by consolidating facilities, and to eliminate options in which activities are moved from relatively efficient facilities to less efficient sites. Calculations consider relative differences in the cost of maintaining the installation, paying off-base housing allowances, and building new facilities.

The model considers one-time transactions, costs or savings, such as construction, personnel retirements and severances, personnel relocation costs, equipment freight and transport costs, land purchases or sales, cost avoidances, and environmental mitigation. There are also recurring costs or savings, including housing allowances, salary changes from hired or released billets, changes in base support (overhead and maintenance) costs, and mission-related costs experienced by the activity as a result of the relocation. During transition, both one-time and recurring costs or savings can occur.

In order to avoid misleading data based on differing inflation estimates, the model collects all costs in constant-dollar terms: a one-time conversion is then made at a three-percent inflation rate. A computation of net present value (at an assumed discount rate of ten percent) is made to determine the payback period and to provide a means of comparison of the different options. The net present value is computed for a twenty-year period, reflecting five transition years and fifteen steady-state years. The key decision item is the payback period, defined in the charter as the number of steady-state years required before the transition costs are recouped. The model itself is non-decisional, simply reporting the results of the computations.

The Services have reviewed this model extensively for theoretical soundness, and from the practical aspect of its assessment of the options proposed. Some are now considering it for their own future planning needs.

Appendix H

Closures and Realignments

The following recommendations constitute those required by Title II, P.L. 100-526. An index of affected installations begins on page 82.

ARMY

Fort Dix, New Jersey

The Commission recommends the realignment of Fort Dix to semi-active status and relocation of entry level training functions (Basic Training (BT) and Advanced Individual Training (AIT)) from Fort Dix to other Army training base installations. This decision will consolidate similar training accomplished at various locations and will increase the availability of training areas at Fort Dix to support active and reserve training. This category has excess capacity allowing these consolidations. The net cost of this realignment will be paid back in five years. The Commission expects annual savings to be $84.5 million.

In reviewing Fort Dix, the Commission noted opportunities to improve overall effectiveness of the training base through the realignment of training. As BT and AIT training are relocated from Fort Dix to other training installations, related adjustments can be made to better distribute, consolidate, and manage training load requirements.

The realignment of Fort Dix to semi-active status will give the Army an improved capability to meet active and reserve component training requirements in the Northeast. It also will permit expansion of training capability to meet mobilization requirements when needed. The size and location of Fort Dix, which is contiguous to McGuire AFB, will also provide capability to absorb future Army force structure changes resulting from possible adjustments in overseas unit stationing.

Implementation of the realignment will require careful planning. There must be adequate provisions for security and maintenance of retained facilities to meet future expansion and mobilization requirements. Infrastructure to operate residual active facilities, such as Walson Army Hospital, and support for McGuire AFB, Naval Air Engineering Center (NAEC) Lakehurst, and the Fort Dix training area may also be required. In reviewing the overall health care requirements within the Delaware Valley area, the Department of Defense should determine whether the Walson Army Hospital should be retained or downgraded to a clinic.

No negative environmental impacts are anticipated since Fort Dix will remain in semi-active status. Relocation actions involved with this recommendation will not significantly alter the environmental situations at the gaining installations as comparable training presently exists there.

The realignments will have moderate impact on local employment.

The Commission recommends the following relocations of Basic and Advanced Individual Training:

-- Basic Training at Fort Dix, as follows: approximately 30 percent to Fort Knox, Kentucky, to include Air Base Ground Defense, 20 percent to Fort Leonard Wood, Missouri, and 50 percent to Fort Jackson, South Carolina.

-- Basic Training at Fort Bliss, Texas, to Fort Jackson.

-- Motor Vehicle Operator (88M) Combat Service Support AIT from Fort Dix to be consolidated with other 88M AIT training at Fort Leonard Wood.

-- Light Wheeled Vehicle Mechanic (63B) Combat Service Support AIT from Forts Dix and Leonard Wood to be consolidated with other 63B AIT training at Fort Jackson.

-- Administrative and Legal Specialist (71C/D) Combat Service Support AIT from Fort Benjamin Harrison, Indiana, to be consolidated with other 71C/D AIT training at Fort Jackson.

-- Personnel Specialist (75 D/E) Combat Service Support AIT load and cadre from Fort Jackson to be consolidated with other 75 D/E AIT training at Fort Benjamin Harrison.

-- Supply Specialist (76Y) Combat Service Support AIT from Fort Jackson to be consolidated with other 76Y AIT training at Fort Lee, Virginia.

-- Food Service Specialist (94B) Combat Service Support AIT from Fort Dix and Fort Jackson to be consolidated with other 94B AIT training at Ft Lee.

The Commission recognizes that the relocations prescribed above may require modification. The Secretary of the Army may modify them if necessary. These modifications must be at no greater cost and payback than currently calculated and follow the stated intent of the Commission to consolidate like AIT training at single installations and to consolidate basic training at fewer installations.

Fort Douglas, Utah

The Commission recommends Fort Douglas for closure. It is positioned in the center of the University of Utah campus which severely restricts its operational flexibility. Its regional support mission can be relocated to another location. The Reserve Component facilities will be segregated and retained within the Fort. The net cost of closure and relocation will be paid back within six years. The Commission expects annual savings to be $250 thousand.

The activities assigned to Fort Douglas support the regional Reserve-Component functions and pay actions, and support area recruiting efforts.

Construction potential is also limited by the historical landmark status of the central portion of the installation. The facilities have a high backlog of maintenance and repair, requiring substantial capital investments to upgrade.

Closure of Fort Douglas will result in minor environmental impacts. The closure and subsequent relocation will require the removal of an unknown quantity of PCB transformers, as well as asbestos, from the buildings. Cleanup of these sites is covered under the Defense Environmental Restoration Program. Cleanup is independent of the closure. Additionally, 45 acres of the installation have been designated as a National Landmark. Several of the facilities are listed on the National Register of Historic Places and will require protection or segregation.

The closure will have minimal impact on local employment.

The Commission recommends the following relocations of major activities:

-- The Reserve Component Pay Input Station to Fort Carson, Colorado. This realignment will enhance command and control by Headquarters, Sixth Army, its parent activity.

-- Segregate and retain on a portion of Fort Douglas the Reserve Component activities.

-- Other activities to leased space in Salt Lake City, Utah.

Cameron Station, Virginia

The Commission recommends Cameron Station for closure. It has a substantial administrative-space deficit; the facilities are also old and inefficient with an array of security, maintenance, electrical, health, and safety problems. The major mission and tenants of the installation can be relocated within the National Capital Region (NCR). The net cost of closure and relocation is expected to pay back within six years, with annual savings estimated to be $13.3 million.

The Department of Defense missions at Cameron Station include logistical and transportation support to military activities in the Washington area. The Commission also notes that the installation provides morale and welfare-support functions for a significant portion of the military community in the NCR.

Cameron Station's facilities are inadequate in size and quality to support the large administrative organizations resident on the installation. The converted warehouses used for administrative space are a maze of hallways and offices without windows or natural lighting. The quality of the work environment is significantly degraded by overcrowding and health hazards. In addition, Cameron Station is located in a heavily urbanized area of the NCR.

The closure of Cameron Station requires consideration of contaminated sites, PCB transformers, asbestos, and possible leaking underground storage tanks. Cleanup of these sites is covered under the DoD Environmental Restoration Program. Cleanup is independent of the closure.

The closure will have minimal impact on local employment.

The Commission's initial cost evaluation for this closure revealed an eight-year payback, resulting from the standard property value estimated for Cameron Station. The Commission reexamined this value and believes that the property would return considerably more if it were rezoned. The Commission believes there exists sufficient potential for the rezoning to permit estimation of a higher property value. Moreover, the payback period would decrease markedly if the Army is successful in obtaining special legislation approving the Fort Belvoir Engineer Proving Ground Public-Private Development initiative for NCR leased space which could accommodate relocation of Cameron Station activities.

The Commission recommends that the major activities at Cameron Station be relocated to Fort Belvoir, Virginia, which is within commuting distance. The relocations will enhance administrative operations by providing modern facilities designed for administrative purposes. The activities to be relocated include the Defense Logistics Agency, the Defense Contract Audit Agency, the Engineer Activity Capital Area, and the Joint Personal Property Shipping Office, Washington.

For morale and welfare-support functions, the Commission recommends that some proceeds from the closure be applied to expansion of commissary and post exchange facilities in the NCR to the extent that they are required.

Presidio of San Francisco, California

The Commission recommends the Presidio of San Francisco, to include Letterman Army Medical Center (LAMC), for closure, primarily because it has no capability to expand, and LAMC is in need of major structural repairs. The Commission believes that it is unlikely that a new hospital will be constructed on the San Francisco side of the Bay Area. The Presidio and LAMC functions can be relocated. The net cost of closure and relocation will be paid back within two years. The Commission expects annual savings to be $74.1 million.

The Commission notes that the installation has 1416 acres of land under Army control, of which only 36.5 acres can be sold. Public Law 100-80, Section 2331, provides for lease of the salable land to the city of San Francisco for a term of ten years beginning no later than January 1989. The full value of the 36.5 acres could be realized if the legislation on lease of Presidio lands were repealed.

Presidio is the headquarters for Sixth Army, which provides command and control of regional Reserve-Component forces. LAMC provides medical care for the Bay Area military community, serves as an Army graduate medical training facility, and houses the Letterman Army Medical Institute of Research.

The Presidio has no excess administrative-space capacity. Statutory restrictions preclude new construction. Reconstruction is allowed only if the replacement facility is the same size as the existing structure, regardless of mission. Demolition of a like amount of square footage is required for all reconstruction. The status of the Presidio as a federally registered landmark, with approximately 300 historical structures, will affect any future development plans.

The LAMC does not meet seismic standards and upgrading would be very costly. In addition, the Secretary of Defense has recently assigned regional medical responsibility in this area to the Navy. The Navy operates a similar hospital at Oak Knoll on the east side of the Bay Area.

Closure of Presidio will require action with regard to contaminated sites, PCB transformers, asbestos, and possible underground storage tank leaks. Cleanup of these sites is covered by the Defense

Environmental Restoration Program. Cleanup is independent of the closure. Maintenance of historic sites and the existing agreement with the Golden Gate Recreational Committee will affect property disposal. Adverse environmental impacts are not anticipated for those installations receiving transfers from this action, since comparable activities presently exist there.

The closure will have minimal impact on local employment.

The Commission recommends the following relocations of major units:

-- Headquarters, Sixth Army to Fort Carson, Colorado. This will reduce the high base-operating costs currently experienced at Presidio and place the Sixth Army on a multi-mission installation.

-- The medical assets of LAMC to be distributed throughout the Army medical force structure to improve health care at other bases with large active-duty populations, and to reduce costs.

-- Recurring health-care requirements normally handled by Letterman to be accommodated by other Service medical facilities in the Bay Area or through CHAMPUS.

-- Letterman Army Institute of Research to be relocated to Fort Detrick, Maryland. The realignment will provide new facilities and consolidate research functions.

Coosa River Annex, Alabama

The Commission recommends Coosa River Annex for closure. It has limited military value because it has been essentially inactive for several years, with only a minimal ammunition storage mission. There are no mobilization requirements for this property. The net cost of closure will be paid back immediately upon sale of the land. The Commission expects annual savings to be $100 thousand.

Coosa River has only limited ammunition storage capability. The ammunition can be either demilitarized or relocated. Inadequate facilities limit any additional ammunition-related functions at the site.

Coosa River has significant environmental cleanup problems. The hazardous waste problems include asbestos, PCBs in transformers, and other forms of contamination. Cleanup of these sites is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure.

The closure will have no impact on local employment.

The Commission recommends relocating the ammunition storage mission to Anniston Army Depot, Alabama.

Navajo Depot Activity, Arizona

The Commission recommends Navajo for closure and anticipates its eventual transfer to the Arizona National Guard. The military value of the installation is lower than others in the same category. The Army does not exercise operational control of the depot and the ammunition mission and tenants of the installation can be relocated. The net cost of closure and relocation will be paid back within four years. The Commission expects annual savings to be $3.1 million.

Navajo stores and demilitarizes conventional ammunition. It also operates a reserve-storage depot, which provides care, preservation, minor maintenance, and limited receiving and shipping of assigned commodities. The ammunition and supply functions can be more effectively managed at less cost at another location. No significant environmental problems exist at the Depot.

The closure will have minimal impact on local employment.

The Commission recommends relocating the ammunition-mission stocks, equipment, and personnel to Hawthorne Army Ammunition Plant, Nevada.

Fort Wingate Ammunition Storage Depot, New Mexico

The Commission recommends Fort Wingate for closure. Its military value is lower than the other installations in the same category, primarily because Fort Wingate is a small, single-mission facility. Its mission can be relocated. The net cost of closure and relocation will be paid back within one year. The Commission expects annual savings to be $5.2 million.

Fort Wingate ships, receives, renovates, and stores ammunition and components and is responsible for the disposition of unserviceable ammunition.

Sufficient storage capacity is available at other depots to accept the ammunition mission from Fort Wingate. This realignment will eliminate current excess capacity and equipment problems.

Closure of Fort Wingate will require the cleanup of environmental hazards before the facility can be considered for unrestricted land use. The major environmental problems are asbestos and contaminated sites. Cleanup of these sites is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure. Potential issues also exist with the archaeological sites at the installation.

The closure will have minimal impact on local employment.

The Commission recommends that the activities at Fort Wingate be relocated to Hawthorne Army Ammunition Plant, Nevada.

Lexington - Bluegrass Army Depot, Kentucky

The Commission recommends closure of the Lexington portion of the Lexington-Bluegrass Army Depot. The military value of this installation is lower than others in the same category, primarily due to the condition of facilities and to limited storage capacity. The Bluegrass Storage facility, however, has higher military value. The net cost of closure and relocation will be paid back within six years. The Commission expects annual savings to be $6.7 million.

The Lexington - Bluegrass Army Depot consists of two separate facilities, one located in Lexington, which is the headquarters for the complex, and the other an ammunition storage facility (Bluegrass) at Richmond, Kentucky. The Lexington facility also performs the overhaul of communications security equipment and assembles communications -electronics materiel.

Consolidation of the communications-electronics maintenance function from

Lexington to Tobyhanna Army Depot, Pennsylvania, will enable Tobyhanna and its western region counterpart, the Sacramento Army Depot, California, to provide responsive communications-electronics support to customers in either region. Since Lexington's mission is not site specific, and Tobyhanna has excess capacity to absorb additional missions, the consolidation will improve operational efficiency, management effectiveness, and command and control over these activities. The two major tenants at Lexington, the Material Readiness Support Activity and the Central Test Measurement and Diagnostic Equipment Activity, can also be relocated to Redstone Arsenal, Alabama, and Letterkenny Army Depot, Pennsylvania. This will combine functions, improve management effectiveness and efficiency of the entire operation, as well as improve command and control.

The cleanup requirements to qualify Lexington for unrestricted land use are minimal with minor environmental impacts. Major adverse environmental impacts are not anticipated at those facilities receiving activities from this action as comparable activities are presently performed there.

The closure will have minimal impact on local employment.

The Commission recommends the following relocations:

-- The transfer of the supply and material-readiness missions to Letterkenny.

-- The transfer of the communications-electronics mission to Tobyhanna.

-- The transfer the central test management mission to Redstone Arsenal.

Pontiac Storage Facility, Michigan

The Commission recommends Pontiac Storage Facility for closure. The military value of the installation is lower than other installations in the same category, primarily because it is a small, single-mission facility, with a high backlog of military construction. The mission can be relocated. The net cost of closure and relocation will be paid back within six years. The Commission expects annual savings to be $500 thousand.

Pontiac receives, stores, maintains, and ships industrial plant equipment for various types of production functions in support of mobilization requirements.

Pontiac's mission of supporting industrial plant requirements is not cost effective. Small, single-mission storage facilities such as this should be combined to achieve overhead savings.

Closure of Pontiac storage will result in minor environmental impacts, specifically in the areas of hazardous wastes and pollution control. Major adverse environmental impacts are not expected at those facilities receiving transfers resulting from the closure since comparable activities are presently performed there.

The closure will have minimal impact on local employment.

The Commission recommends relocating all stocks to the Seneca Army Depot, New York. Equipment presently in storage should be surveyed to determine its continued utility. No costs for new construction are required to accommodate the transferred supplies.

Alabama Ammunition Plant, Alabama

The Commission recommends Alabama Ammunition Plant for closure. The military value of the installation is lower than other installations in the same category, primarily because it has been in an inactive status since 1954, pending disposal. No capability to manufacture propellants and explosives remains at Alabama due to the fact that all production equipment has been removed. No mission or tenants need to be relocated. This closure will be paid back immediately. The Commission expects annual savings to be $27 thousand.

The plant has significant environmental cleanup problems. The installation is on the national priority list for hazardous-waste cleanup. It has numerous contaminated sites and asbestos in several facilities.

The closure will have minimal impact on local employment.

There are no realignments of units required for the closure.

New Orleans Military Ocean Terminal, Louisiana

The Commission recommends New Orleans Military Ocean Terminal for closure. The military value of the installation is lower than other installations in the same category, primarily because its facilities and piers cannot meet its mission to process and embark a combat force. Its peacetime mission is the temporary storage of privately owned vehicles and household goods. This mission can be eliminated.

There are no costs of closure and relocation; thus, there is an immediate payback. The Commission expects annual savings to be $1.0 million.

Poor wharf configuration, inadequate piers, and low accessibility of loading areas disqualify the site for continued military use. The facilities are the only property under Army control and ownership. All other property, including the land, belongs to the city of New Orleans.

The substation and transformers on the wharf need to be surveyed for asbestos, PCB's, and underground storage-tank contamination before property transfer. The closure will have minimal impact on local employment.

There are no relocations of units necessary.

Fort Sheridan, Illinois

The Commission recommends Fort Sheridan for closure primarily because it is located in a heavily urbanized, high-cost area with minimal potential for future growth. Its mission and tenants can be relocated. The net cost of closure and relocation will be paid back within one year. The Commission expects annual savings to be $40.8 million.

Fort Sheridan is the operations base for Headquarters, Fourth United States Army, and the United States Army Recruiting Command. Missions include command and control of reserve units in the area; recruiting functions for the Army; and area support for Reserve Component units and recruiting operations. Its relocation outside of the Chicago vicinity will reduce operating costs for the Army. Approximately 60 acres containing reserve support facilities should be retained. The Commission anticipates the cemetery will be transferred to the Veterans Administration.

Fort Sheridan is located on high-value property. The installation can be easily relocated. The only stipulation is that the relocation of the Fourth Army Headquarters must be within its seven-state area. The Recruiting Command needs to be centrally located due to its nationwide mission. Both activities require accessibility to an adequate transportation network.

This closure will have minimal environmental impact. Concerns that need to be addressed during implementation include historical buildings, a contaminated munitions burning site, various landfills, PCB transformers, and possible leaking underground storage tanks. Cleanup of contamination on these sites is covered under the DoD Environmental Restoration Program. Cleanup is independent of the closure.

The closure will have minimal impact on local employment.

The Commission recommends the following relocations of major units:

-- The Headquarters, Fourth Army, and Headquarters, United States Army Recruiting Command to Fort Benjamin Harrison, Indiana.

-- The United States Army Recruiting Battalion Chicago, Illinois, and the United States Army Recruiting Brigade Midwest to leased space in Chicago.

Army Material Technology Laboratory (AMTL), Massachusetts

The Commission recommends Army Material Technology Laboratory (AMTL) for closure primarily due to the condition of its facilities and infrastructure. The laboratory's mission of developing new materials to enhance the effectiveness and warfighting capability of the Army can be performed at other Army installations. Relocating that mission will take advantage of existing Army property, reduce base operations costs, and combine research groups with those working on similar technologies. The net cost of closure will be paid back within one year. The Commission expects annual savings to be $7.1 million.

Army Material Technology Laboratory supports other laboratories in the area of material-development research. It provides advice, technical assistance, and support to other Army laboratories. It also performs failure analyses on developmental and fielded systems.

AMTL facilities need major renovation or replacement, the laboratory can be relocated and the construction avoided. The facilities are located on high-value property that can be sold to offset realignment costs.

The laboratory is currently hampered in performing its mission by the condition of the facilities and the supporting utility systems. Major renovation or complete replacement of the facilities at AMTL would be costly but necessary to overcome all the operational deficiencies. Closure avoids major renovation costs and enables the research functions to be performed more efficiently elsewhere.

Closure of AMTL will require consideration of hazardous-materials sites, asbestos, PCBs, and historically significant areas. Cleanup of these sites is covered by the Defense Environmental Restoration

Program. Cleanup is independent of the closure.

The closure will have minimal impact on local employment.

The Commission recommends the following relocations:

-- The ceramics and related research functions to the U.S. Tank-Automotive Research, Development, and Engineering Center at Detroit Arsenal, Michigan. This relocation will consolidate the ceramics and related research functions with similar activities now being performed at Detroit Arsenal.

-- The metal and metal-related research functions to the U.S. Army Armament Research, Development, and Engineering Center at Picatinny Arsenal, New Jersey. This relocation will consolidate the metal and metal-related research functions with similar activities now being performed at Picatinny Arsenal.

-- The corrosion prevention and control related research to the Belvoir Research, Development, and Engineering Center at Fort Belvoir, Virginia. This relocation will consolidate the corrosion prevention and control research functions with similar activities now being performed at Fort Belvoir.

Various Stand-Alone Housing Installations

The Commission recommends fifty-two stand-alone housing installations (see list below) for closure. Cost analyses have indicated that these installations are not economically efficient to operate. There are no construction costs associated with the closure of these installations. Closures will result in immediate paybacks, with annual savings expected to total $4.9 million for all sites.

Stand-alone housing installations provide family housing for military personnel and their dependents in locations separate from their place of duty. These sites are generally remote from the major installations that provide their support, and are dedicated to support service members stationed in the geographic area in which the housing is located.

These housing areas were in most cases constructed in the early 1950s and are either approaching or have gone beyond their useful economic life. Annual operating costs for these housing units are double the Army average. The cost of housing allowances for personnel now residing in the houses will be less than half of the Army's actual cost to operate and maintain them.

Other factors that affect the housing sites include their deterioration and long distance to their parent military installations. The mission requirements that led to the construction of these facilities have either changed or no longer exist. Overall analysis indicates closure of all 52 areas recommended is the most prudent option except where another service may request transfer of ownership. Also, adequate housing may exist at other nearby military installations, and stand-alone housing may represent excess capacity.

Closure of these sites will have no environmental impact.

The Commission recommends that during closure the Department of Defense allow for continued occupancy of the units by the personnel currently housed in the units, until their rotation to new duty assignments.

Various Stand-Alone Family Housing installations recommended for closure are as follows:

1. FH Manchester CT 25
2. FH Ansonia CT 04
3. FH Orange CT 15
4. FH Milford CT 17
5. FH Fairfield CT 65
6. FH Westport CT 73
7. FH Shelton CT 74
8. FH New Britain CT 74
9. FH E Windsor CT 08
10. FH Portland CT 36
11. FH Plainville CT 67
12. FH Middletown CT 48
13. Worth Family Housing (IL)
14. USARC Addison Housing (IL)
15. NIKE Washington-Baltimore (MD)
16. FH Burlington (MA) 84
17. FH Nahant MA 17
18. FH Wakefield MA 03
19. FH Beverly MA 15
20. FH Hull MA 36
21. FH Randolph MA 55
22. FH Bedford MA 85
23. FH Swansea MA 29
24. FH Topsfield MA 05
25. ST. Louis Area Support Ctr Wherry Housing (MO)
26. NIKE NY 54 Housing (NJ)
27. NIKE NY 60 Housing (NJ)
28. NIKE NY 79 80 (NJ)
29. NIKE NY 93 94 (NJ)
30. Dry Hill Family Housing (NY)
31. Manhattan Beach Housing (NY)
32. NIKE NY 01 Housing (NY)
33. NIKE NY 25 (NY)
34. NIKE NY 99 Housing (NY)
35. Irwin Support Detachment Annex (PA)
36. Pitt 02 Family Housing (PA)
37. Pitt 03 Family Housing (PA)
38. Pitt 25 Family Housing (PA)
39. Pitt 37 Family Housing (PA)
40. Pitt 42 Family Housing (PA)
41. Pitt 43 Family Housing (PA)
42. Pitt 52 Family Housing (PA)
43. Coraopolis Family Housing Site 71 (PA)
44. Coraopolis Family Housing Site 72 (PA)
45. Family Housing Davisville (RI)
46. FH N Smithfield RI 99
47. Manassas Family Housing (VA)
48. NIKE Norfolk 85 Housing (VA)
49. Woodbridge Housing Site (VA)
50. Youngs Lake Housing Site (WA)
51. Midway Housing Site (WA)
52. Sun Prairie Family Housing (WI)

Kapalama Military Reservation Phase III, Hawaii

The Commission recommends Kapalama Military Reservation Phase III for closure. The military value of the installation is lower than other installations in the same category primarily because Kapalama is separated from its primary customers, Schofield Barracks and Fort Shafter. The major mission and tenants of the installation can be relocated to Schofield Barracks. The cost of new construction, including required non-appropriated fund facilities and warehouse space, along with the relocation of functions, will be paid back immediately upon sale of the land. There are no annual savings associated with this closure.

The Kapalama Military Reservation provides warehouse and maintenance facilities, along with administrative areas, in support of Army missions located in Hawaii. Kapalama Military Reservation is located several miles from the installation it supports. This property is considered high-value real estate, and is located in an important industrially zoned area near major highways and commercial ports.

Replacement construction required to execute the sale of Kapalama Phase III includes replacement warehousing for the Army and Air Force Exchange System.

No significant environmental impacts are anticipated for the closure. Consideration will have to be given to any PCB transformers or asbestos in the buildings. Cleanup of these sites is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure.

Personnel assigned to Kapalama Military Reservation Phase III, will be reassigned locally, and no employment impacts are anticipated.

Tacony Warehouse, Pennsylvania

The Commission recommends Tacony Warehouse for closure since it will have no current mission after additional construction at the New Cumberland Army Depot (NCAD), Pennslyvania is completed. There are no personnel assigned to Tacony and there will be no construction or relocation costs. The closure costs will be paid back immediately upon sale of the land. There are no annual savings associated with this closure.

The Tacony Warehouse complex, consisting of 11 buildings located on 14.2 acres in Philadelphia provides interim storage for the New Cumberland Army Depot. There is new construction underway at NCAD that will eliminate the requirement for the use of Tacony as a warehouse.

The closure will have minimal environmental impact.

The closure will have no impact on local employment.

Hamilton Army Airfield, California

The Commission recommends Hamilton Army Airfield for closure. The military value of the installation is lower than other installations in the same category, primarily because of the high flood-control-system repair costs. The major mission and tenants of the installation can be relocated. The net cost of closure and relocation will be paid back immediately. The Commission expects annual savings to be $150 thousand.

Hamilton Army Airfield serves as an airfield for the Presidio of San Francisco and as a training center for Reserve aviation and medical units.

Hamilton Army Airfield is located below sea level and requires a series of pumps, levees, and culverts to remain dry. No major repairs to the airfield have been made since the Air Force turned the property over to the Army in 1976, and facilities have since deteriorated.

The airfield lighting system is no longer operational, and a backlog in runway and related repairs has accumulated. The limited number of aircraft assigned, combined with the mission utilization, does not justify the expenditure of funds to make the airfield operational, especially in view of the Commission recommendation to close the Presidio. The future utility of the installation is limited to use as a Reserve training facility.

The closure of Hamilton Army Airfield will involve only a limited number of contaminated sites. Cleanup of these sites is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure. Transfer of units from Hamilton Army Airfield is expected to relieve civilian noise pollution concerns.

The closure will have minimal impact on local employment.

The Commission recommends the following relocations of major activities:

-- Approximately 695 acres not required by the Army Reserve are recommended for closure and disposal. Facilities are to be constructed on the remaining acres to consolidate the Headquarters, 3/12 Special Forces Group and the 3/12 Service Company; the Headquarters, 2/91 Division Training; the 6253rd USA Hospital; and all Reserve units. This move will enhance Reserve training capabilities, since it will consolidate units and provide adequate facilities.

-- The 91st Division Aviation Detachment and the 343rd Medical Detachment, both reserve units, to leased space at a local airfield. No personnel are expected to be affected, since these moves will be local.

-- The Sixth Army Aviation Detachment, a reserve unit in support of the Sixth Army Headquarters, to be realigned as part of the Sixth Army relocation to Fort Carson, Colorado.

Jefferson Proving Ground, Indiana

The Commission recommends Jefferson Proving Ground for closure. Its mission of evaluating ammunition produced for the Army can be located at another installation. This move will increase utilization and reduce base-operating costs. The net cost of closure and relocation will be paid back within six years. The Commission expects annual savings to be $6.6 million.

Jefferson Proving Ground has the mission of conducting, analyzing, and reporting on tests of ammunition and ammunition components.

The closure of Jefferson Proving Ground will result in significant environmental impacts. The closure will require consideration of 26 buildings with a range of herbicides, metals, explosives, PCBs and possible asbestos contamination. Cleanup of these sites is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure. A serious ordnance problem also exists. Adverse environmental impacts are not anticipated for the receiving installation as comparable operations are presently performed there.

The closure will have minimal impact on local employment.

The Commission recommends relocating Jefferson Proving Ground activities to Yuma Proving Ground, Arizona.

Nike Philadelphia 41/43, New Jersey

The Commission recommends closure of Nike Philadelphia 41/43 which is located in New Jersey near Philadelphia, Pennsylvania. This property consists of housing capacity excess to Army needs. The payback for this closure is immediate as there are no associated relocation or construction costs.

Nike Philadelphia is a stand-alone

housing installation that has in the past provided family housing for Army and other Service members and their dependents at locations separate from their duty stations.

This housing site was previously offered to the local community for possible housing for the homeless. Negotiations for its development were unsuccessful, however, and it was returned to the Army for disposal. The housing site represents excess capacity and is not needed to fulfill Army missions.

No significant environmental impacts are anticipated for closure of these housing units.

The closure will have no impact on local employment due to the fact that no personnel are assigned to or housed on Nike Philadelphia 41/43.

Nike Kansas City 30, Missouri

The Commission recommends closure of Nike Kansas City 30. This property represents excess capacity to the Army and is not required for any current or future Army mission. The payback for this closure is immediate as there are no ssociated relocation or construction costs.

Nike Kansas City 30 facilities consist of two barracks, a mess hall, and an administration building. The facility was made available to the Missouri Army National Guard, but the agreement has expired and will not be renewed.

No significant environmental impacts are anticipated for closure of this installation.

The closure will have minimal impact on local employment due to the fact that no personnel are assigned to Nike Kansas City.

Cape St. George, Florida

The Commission recommends closure of Cape St. George. This property is excess to the Army's needs as it is not required for any current or future Army mission. The payback for this closure is immediate since there are no associated relocation or construction costs.

The Cape St. George property consists primarily of a helipad that is in a state of disrepair and is unusable. There is no current or future anticipated Army mission for the installation.

No significant environmental impacts are anticipated for closure of this site.

The closure will have minimal impact on local employment due to the fact that no personnel are assigned to Cape St. George.

Umatilla Army Depot, Oregon

The Commission recommends Umatilla Army Depot for realignment. The military value of the installation was lower than other installations in the same category, primarily because it is a small single-mission installation. The facilities at Umatilla also require upgrading. The mission and tenants of the installation can be relocated. The net cost of realignment will be paid back within six years. The Commission expects annual savings to be $6.3 million.

Umatilla performs the mission of reserve storage and demilitarization of conventional and chemical munitions.

Umatilla's mission can be managed more effectively in another location by consolidating functions in multi-mission operations.

The Commission was prevented from closing Umatilla because of the ongoing chemical demilitarization (CHEM DEMIL) mission. CHEM DEMIL prevented closure because the Army cannot begin on-site destruction of chemical munitions until 1994 with an expected completion date of 1996, which falls outside of the Commission's allowed timeframe for completing closures.

The installation will be realigned to the maximum extent possible in order to facilitate closure as soon as the CHEM DEMIL mission is complete.

Umatilla is on the National Priority List for hazardous wastes cleanup. Confirmed ground water contamination exists as well as other forms of pollution. Transfer of the conventional ammunition mission to Hawthorne Army Ammunition Plant, Nevada, could have minor impact on existing hazardous waste management conditions there.

The realignment will have minimal impact on local employment.

The Commission recommends relocating the conventional ammunition mission to Hawthorne Army Ammunition Plant. Approximately 75 civilians will remain at Umatilla to perform environmental monitoring of ammunition-storage igloos, munitions handling, munitions transport quality control activities, and security escort duties. Additionally, personnel will be needed to support the increased depot workload for such activities as storage site monitoring, laundry operations, and vehicle and road maintenance. CHEM DEMIL will be performed by contract augmentation.

Pueblo Army Depot, Colorado

The Commission recommends Pueblo Army Depot for realignment. The military value of the installation was lower than the others in the same category, primarily because of its substandard mission facilities and the elimination of the Pershing missile maintenance mission which creates unused capacity. Additionally, the reduction in maintenance function will cause a 20 percent decline in supply stocks. The major missions and tenants of the installation can be relocated. The net cost of realignment will be paid back within three years. The Commission expects annual savings to be $15.5 million.

Pueblo Army Depot stores, demilitarizes, and renovates ammunition, as well as storing chemical munitions and performing maintenance on assigned commodities of equipment and components.

The depot's maintenance program is to be eliminated as a result of the mandated destruction of the Pershing missile system components. Pueblo also lacks modern facilities and does not have the necessary technology to automate its material handling system.

The Commission was prevented from closing Pueblo because of the ongoing chemical demilitarization (CHEM DEMIL) mission. CHEM DEMIL prevented closure because the Army is scheduled to begin on-site destruction of chemical munitions in 1995. The demilitarization operation is scheduled to be completed in 1997 which is outside of the Commission's allowed timeframe to complete closures. Consequently, the installation should be realigned to the maximum extent possible in order to facilitate closure as soon as demilitarization is complete.

Moderate environmental problems are anticipated with the realignment of Pueblo Army Depot. Cleanup of hazardous wastes, asbestos, PCBs, underground storage tank problems, and contaminated sites will be required. Cleanup of these sites is covered by the Defense Environmental Restoration Program. Cleanup is independent of the realignment. Major adverse environmental impacts are not expected at those facilities receiving activities resulting from this action since comparable activities are presently performed there.

The Commission recommends relocation of the following major missions:

-- The supply mission to Tooele Army Depot, Utah.

-- The ammunition mission to Red River Army Depot, Texas.

-- Approximately 75 civilians will remain at Pueblo to perform environmental monitoring of ammunition-storage igloos, munitions handling, munitions transport quality control activities, and security escort duties. Additionally, personnel will be needed to support the increased depot workload for such activities as storage site monitoring, laundry operations, and vehicle and road maintenance. CHEM DEMIL will be performed by contract augmentation.

Former Nike Site at Aberdeen Proving Ground, Maryland

The Commission recommends the former Nike site at the northwestern edge of Aberdeen Proving Ground for closure. This property, consisting of approximately 100 acres, represents excess capacity to the Army and is not required for any current or future Army mission. The payback for this closure is immediate since there are no associated relocation or construction costs.

The land is licensed to the State of Maryland for the use of the Army National Guard and is used for training and support of the Field Operating Activity (FOA) of the National Guard Bureau. The FOA is relocating to new facilities to be completed in 1991. After the National Guard relocates there will be no requirement for this property. Significant environmental impacts are expected as a result of this closure. Closure and disposal of the Former Nike Site Area requires consideration of contamination sites, PCB transformers, and asbestos. Cleanup of these sites is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure.

The closure will have minimal impact on local employment.

Fort Meade, Maryland
Fort Holabird, Maryland
Fort Devens, Massachusetts

The Commission recommends the partial closure and realignment of Fort Meade and

Fort Holabird, and the realignment of Fort Devens. The effect of these closures and realignments will be to consolidate a number of commands and activities whose operations are currently separated, thereby improving mission effectiveness, efficiency, and command and control. The net cost of these realignments will be paid back within one year. The Commission expects annual savings to be $21 million.

Fort Meade: At Fort Meade, the range and training areas, including the airfield (approximately 9,000 acres generally south of Maryland Route 198, extended, and the existing power-line right of way), are recommended for closure and disposal. This action is taken in order to realign Fort Meade from an active Army post to an administrative center in the extended National Capital Region (NCR), an increasingly encroached urban area.

The activities of the Criminal Investigation Command (CIDC) currently located at Fort Meade and at Fort Holabird will be realigned to Fort Belvoir, Virginia, utilizing space vacated by the Information Systems Engineering Command (ISEC) of the Information Systems Command (ISC), which will relocate to Fort Devens, Massachusetts (see below). Realigning the CIDC to Fort Belvoir will avoid significant programmed construction at Fort Meade.

The primary tenant of this new administrative center at Fort Meade will be the National Security Agency (NSA). NSA leases a significant amount of space in the NCR. The other major tenant will be the Headquarters, First Army. The administrative center should be placed under the administrative and operational control of the Military District of Washington or other similar command.

The Commission encourages the Department of Defense to explore the opportunities for government or public-private development on the remaining portion of Fort Meade, along the lines being pursued at Fort Belvoir and the Belvoir Engineer Proving Ground.

Fort Holabird: The Commission recommends the closure of the portion of Fort Holabird occupied by the Criminal Records Center (CRC) of the Criminal Investigation Command (CIDC). As detailed above, this relocation of CRC to Fort Belvoir will consolidate split functions, thereby improving mission effectiveness and efficiency.

The current facilities are inadequate for the criminal-records mission. The Defense Investigative Service, which is adequately housed in another portion of the Fort, and the Wherry Housing Project, which has a long term, non-termination lease, will both remain.

Fort Devens: The Commission recommends realignment of Fort Devens in order to consolidate the split Intelligence School training function and the Information Systems Command (ISC). Consolidation of the school and the command will improve the mission effectiveness and efficiency of both functions.

The Intelligence School, currently located at Fort Devens, will relocate to Fort Huachuca, Arizona, to consolidate with the Intelligence School training operations at Fort Huachuca. Fort Huachuca is the more suitable location for conduct of the school curriculum.

The Headquarters, ISC will relocate from Fort Huachuca to Fort Devens to consolidate the command in one location which is well suited for a national command such as ISC. Other ISC activities from Fort Belvoir (see above) and from Fort Monmouth, New Jersey, and Fort McPherson, Georgia, will also relocate to Fort Devens.

The partial closures and realignments of Forts Meade, Holabird, and Devens will result in minor environmental impacts. Fort Meade however, will require some environmental restoration, including cleanup of the impact area. The realignments will have minimal impact on local employment.

Naval Station New York (Brooklyn), New York

The Commission recommends Naval Station New York (Brooklyn) for closure, primarily because the support functions located there can be more efficiently and effectively performed at Naval Station New York (Staten Island). The net cost of closure and relocation will be paid back immediately. The Commission expects annual savings to be $4.2 million.

The primary mission of the site at Brooklyn is to provide administrative, housing, supply, medical, and recreational support to activities at Staten Island. In addition, Brooklyn provides logistical support for Navy tenants.

The Brooklyn site is located on the east shore of the East River, north of the Brooklyn Bridge, on the site of the former Brooklyn Naval Shipyard. Since the site at Brooklyn has no waterfront facilities, its mission is predominantly administrative.

Staten Island, which is the site for the homeport of the Northeast Battleship Battlegroup, is located 20 city-driving miles across the Verrazano Narrows Bridge from the Brooklyn site. Management of these two sites is difficult and costly because of the distance separating them and traffic congestion. This affects the quality of support provided to assigned personnel, and reduces the installation's military value.

Closure of the Brooklyn site will not adversely affect the environment. There are plans to remove underground storage tanks and PCB transformers. Some buildings built before 1977 may contain asbestos. Cleanup of the site is covered by the Defense Environment Restoration Program. Cleanup is independent of the closure. The movement of activities to Staten Island will not alter the environmental situation there, since comparable activities are currently planned for the area.

The closure will have minimal impact on local employment.

The Commission recommends that all units and activities located at Brooklyn be relocated to Staten Island.

Naval Station Puget Sound (Sand Point), Washington

The Commission recommends closing the portion of Naval Station Puget Sound (Sand Point) whose mission is to serve fleet units at Naval Station Puget Sound (Everett). These support functions can be performed more efficiently from a site much closer to Everett. The net cost of closure and relocation of those activities will be paid back within five years. The Commission expects annual savings to be $5.6 million.

The primary mission of Sand Point is to provide administrative, supply, medical, recreational, and housing support to Everett. Sand Point also provides logistical support for Navy and other U.S. Government tenants.

The Naval Station at Sand Point is located on Lake Washington at the site of the former Naval Air Station Seattle. Since Sand Point has no waterfront facilities and must lease pier space, its mission is predominantly administrative. The site for the homeport of the Pacific Northwest Carrier Battlegroup, consisting of an aircraft carrier, two cruisers, and eight destroyers and frigates, is Everett, 35 driving miles from Sand Point. This distance reduces the military value of Sand Point, makes management of the two sites difficult and costly, and decreases the quality of support provided to personnel at Everett. By relocating those activities supporting Everett, but currently located at Sand Point, the overall military value of the Naval Station Puget Sound will be enhanced. Approximately 40 acres of land are required to be purchased near Everett in order to accomplish this relocation.

Closure of a portion of Naval Station Puget Sound at Sand Point will not adversely affect the environment. The National Wetlands Inventory of the Department of the Interior indicates that Sand Point may be classified as wetlands. Plans for investigation and action include cleanup of leaking underground storage tanks, and investigation and remedial action regarding an oil-spill site. Buildings at Sand Point that were built before 1977 may contain asbestos. Cleanup of the site is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure. The movement of activities to Everett will not alter its environmental situation, since comparable activities are currently planned for the area.

The closure will have minimal impact on local employment.

The Commission recommends that those Naval Station activities, whose mission is to serve fleet units at Everett, and the Navy exchange be relocated to Everett.

Naval Station San Francisco (Hunters Point), California

The Commission recommends that the proposed Strategic Homeport Program construction for Hunters Point not be executed. Instead, comparable construction should be accomplished at Pearl Harbor, Hawaii, and Long Beach and San Diego, California. The net cost of this realignment will be paid back immediately. The Commission expects annual savings to be $8.0 million.

Hunters Point is located in San Francisco on the shores of San Francisco Bay. Contractor repair and overhaul of Navy ships is performed using the Navy's drydock at Hunters Point. The drydock is also used for unscheduled repairs on nuclear-powered ships, including aircraft carriers. There is also an existing ship intermediate-maintenance activity that supports frigates. Consequently, the Commission recommends retaining Hunters Point as currently configured.

Hunters Point had been designated as a homeport for one battleship, four cruisers, two destroyers, and two frigates. The maritime mission of these ships is to protect the sea lines of communication in the Pacific, support amphibious operations, and provide deterrence through visible peacetime power projection.

Relocating the battleship battlegroup to Pearl Harbor, Long Beach and San Diego will not alter the environmental situation at those bases, since comparable operations are presently under way there.

The realignment will have minimal impact on local employment.

The Commission recommends relocating the battleship, and two cruisers from Hunters Point to Pearl Harbor; one cruiser, two destroyers, and two frigates to San Diego; and one cruiser to Long Beach.

Naval Hospital Philadelphia, Pennsylvania

The Commission recommends the closure of Naval Hospital Philadelphia. The hospital facilities are unsafe and inadequate to support modern health care. Because of its deteriorated condition and outmoded configuration, the existing hospital cannot be modernized.

The mission of the Naval Hospital is to provide comprehensive emergency, outpatient, and inpatient health-care services to eligible personnel. Additionally, the hospital participates as an element of the Tri-Service Regional Health Care System within the Delaware Valley area. The mission requires that the hospital maintain quality health-care standards to ensure accreditation and recognition by appropriate governmental and civilian agencies and commissions, to include the Joint Commission on Accreditation of Hospitals.

The hospital configuration makes renovation to meet minimum requirements for a primary-care inpatient facility impossible. This 50-year-old facility has deteriorated to the point where the only usable components for a new facility would be the exterior masonry and the structure.

As early as 1973, the condition of the facilities was reported unsafe by the Navy. Since then, safety problems have been documented by the Navy, in engineering evaluations and fire-protection survey reports, and by the General Accounting Office, and the Joint Commission on Accreditation of Hospitals. Among the unsafe conditions are a substandard electrical system and inadequate fire protection.

The closure of Naval Hospital Philadelphia will have no detrimental impact on the environment. Closure and demolition will require removal of asbestos from the hospital buildings. Cleanup of the site is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure.

The closure of the hospital will have minimal impact on local employment.

The Department of Defense should explore various cost-effective health-care alternatives, including the use of Walson Army Hospital at Fort Dix, New Jersey, to meet the current Naval Hospital Philadelphia workload. In light of the need for further study, the Commission recommends retention of the Naval Hospital Philadelphia land until a final decision on overall health care in the region is reached.

The Naval Ship Systems Engineering Station, a tenant on the hospital grounds, should remain in the Philadelphia area.

Naval Station Galveston, Texas

The Commission recommends that the Strategic Homeport Program construction for Naval Station Galveston not be completed and the installation be closed. Instead, comparable construction should be accomplished at Ingleside, Texas. The net cost of closure and relocation, including repayment of local contributions, will be paid back immediately. The Commission expects annual savings to be $2.5 million.

Galveston had been designated a homeport for two frigates and two mine-warfare ships, which are part of a battleship battlegroup planned primarily for location at Ingleside, Texas. Relocating the Galveston ships will improve battlegroup integrity, reduce costs, and improve command and control.

The relocation of the homeport from Galveston to Ingleside will not adversely affect the environment, since there are comparable operations and construction currently planned for Ingleside.

The closure will have minimal impact on local employment.

The Commission recommends relocating the two frigates and two mine-warfare ships from Galveston to Ingleside.

Naval Station Lake Charles, Louisiana

The Commission recommends that the Strategic Homeport Program construction for Naval Station Lake Charles not be completed and the installation be closed. Instead, comparable construction should be accomplished at Ingleside, Texas. The net cost of closure and relocation, including repayment of local contributions, will be paid back immediately. The Commission expects annual savings to be $1.2 million.

Lake Charles had been designated a homeport for one oiler which is part of a battleship battlegroup planned primarily for location at Ingleside, Texas. Also, Lake Charles is inland, reducing access to open waters. Relocating the Lake Charles ship will improve battlegroup integrity, reduce costs of operation and improve command and control.

The relocation of the homeport at Lake Charles to Ingleside will not adversely affect the environment, since there are comparable operations and construction currently planned for Ingleside.

The closure will have minimal impact on local employment.

The Commission recommends relocating the oiler from Lake Charles to Ingleside.

AIR FORCE

Chanute Air Force Base, Illinois

The Commission recommends Chanute Air Force Base for closure primarily due to reduced mission effectiveness caused by lower quality and limited availability of facilities, and because of excess capacity within the category. The net cost of closure and relocation will be paid back within three years. The Commission expects annual savings to be $68.7 million.

Chanute AFB is lower in military value than other technical-training centers because the facilities significantly detract from its mission effectiveness.

Chanute AFB is one of five Air Training Command Technical Training Centers providing specialized training for officers, airmen, and civilians of the Air Force, and for other Department of Defense agencies. Major training courses include fire fighting, aircraft and missile maintenance, and fuel contamination and inspection training. The base also prepares extension and career-development courses, specialty-training standards, and training manuals. In addition, Chanute provides on-the-job training advisory services and reviews field training courses.

Chanute AFB can be closed without degrading the overall capability of the Air Force to provide technical training. Shortcomings of this installation include a shortage of buildings for training and administration purposes, maintenance, and warehousing. The quality of life for assigned personnel is affected by a shortage of family housing units, bachelor housing, recreational amenities, and medical and dental facilities.

This closure will have no negative impact on the local environment. The cleanup of hazardous materials and waste contamination at Chanute AFB is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure. The movement of the units currently assigned to Chanute will not significantly alter the environmental situation at the gaining bases, since comparable training is presently conducted at those locations.

This closure will have moderate impact on local employment.

The Commission recommends the following relocations of major units and related support activities of the 3330th Technical Training Wing to existing technical training wings at Sheppard, Keesler, Lowry, and Goodfellow AFBs. Some examples of the types of training to be relocated are:

-- Sheppard AFB, Texas will absorb 52 courses including aircraft engine, propulsion, maintenance, and aircrew life-support training.

-- Keesler AFB, Mississippi will absorb 22 courses including avionics and weather-equipment maintenance, weather-satellite system, and photo-interpretation training.

-- Lowry AFB, Colorado will absorb 45 courses including missile support-equipment maintenance, intercontinental ballistic missile maintenance-officer, and cryogenic-operations training.

-- Goodfellow AFB, Texas will absorb

25 courses including fire fighting, fire truck operation and maintenance, and fuel-inspection training.

These relocations will consolidate similar courses and improve training.

George Air Force Base, California

The Commission recommends George Air Force Base for closure primarily due to degraded training effectiveness, air traffic congestion, and because of excess capacity within the category. The net cost of closure and relocation will be paid back immediately. The Commission expects annual savings to be $70.2 million.

The military value of George AFB is lower than other tactical-fighter installations due to its distance to specialized training ranges and the increasing air-traffic congestion in the vicinity of the base.

Training for George's defense suppression units is hampered by a distance of over 150 nautical miles to an electronic-combat training range. This results in a considerable waste of time and money flying to and from the range. All flight operations are constrained by increasing air traffic congestion in the greater Los Angeles area.

Other shortcomings of the installation include a shortage of facilities for operation and maintenance purposes. The water supply system is presently inadequate, and is scheduled for replacement in FY 1991. There are other deficiencies at George in the area of quality of life, the most prominent being a severe shortage of bachelor housing. The installation also has difficulty hiring civilian workers due to the demand for technically qualified workers in other industries within the civilian community.

George AFB is one of 11 Tactical Air Command tactical-fighter bases. The wings assigned there have the wartime mission of providing conventional tactical air support primarily in the defense-suppression role as well as close air support, air interdiction, and counterair. The early retirement of the F-4 fighter aircraft from George, caused by a recent Air Force budget reduction, enabled the Commission to consolidate similar units. There is sufficient capacity within the tactical-fighter category to absorb the remaining units at other locations.

This closure will have no negative impact on the local environment. Cleanup of hazardous materials and waste contamination at George is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure. The movement of units currently assigned to George should not significantly alter the environmental situation at the gaining bases. There will, however, be a requirement for increased storage of hazardous waste at Mountain Home AFB, Idaho, and Cannon AFB, New Mexico. The Commission has been advised that these bases will have no difficulty providing the appropriate, conforming storage facilities required for the relocations.

This closure will have minimal impact on local employment.

The Commission recommends the following relocations of major units and related support activities:

-- The 35th Tactical Training Wing and the 37th Tactical Fighter Wing (F-4E/G aircraft) to Mountain Home AFB. This move will enhance command and control by consolidating functions with EF-111 air defense suppression aircraft. The recent expansion of the electronic-combat and weapons ranges in the Mountain Home area provides the capability to relocate operational and training assets, which will increase efficiency and enhance mission effectiveness. To accommodate the move of the F-4E/G into Mountain Home, it will be necessary to move part of the 366th Tactical Fighter Wing (F-111E and F-111A aircraft) from Mountain Home to Cannon AFB. This will collocate all U.S.-based F-111 aircraft with a similar mission at a single base, improving command and control while enhancing mission effectiveness at a reduced cost.

-- The 27th Tactical Air Support Squadron (OV-10 aircraft) will relocate to Davis-Monthan AFB, Arizona. OV-10 aircraft are already stationed at Davis-Monthan, and consolidation of OV-10 aircraft there will improve command and control, and provide increased efficiency while enhancing mission effectiveness. To accommodate the additional OV-10 aircraft at Davis-Monthan, it will be necessary to move the 41st Electronic Combat Squadron (EC-130H aircraft) from Davis-Monthan to Bergstrom AFB, Texas. This relocation will absorb excess capacity and enhance the implementation of the tactical ground-surveillance mission of the EC-130H at Bergstrom, AFB, provide increased efficiency, improve command and control, and reduce operating costs.

Mather Air Force Base, California

The Commission recommends Mather AFB for closure primarily due to its deficiencies in the quality and availability of facilities and excess capacity within the category. The net cost of closure and relocation will be paid back within one year. The Commission expects annual savings to be $78.7 million.

The military value of Mather AFB is lower than other flying-training installations. Mather has a shortage of buildings for operational and training purposes, and a shortage of maintenance and administrative facilities. Additionally, the availability of vehicle pavements is less than required. The installation has also had difficulty in hiring civilian workers in the area, due to the demand for technically qualified workers by other industries within the civilian community.

While Mather AFB has a hospital, the base requires additional medical and dental facilities. The closure of Mather will save construction costs for these facilities.

Mather AFB is one of eight Air Training Command flying-training bases. Mather conducts undergraduate navigator training for the Air Force, Navy, and Marine Corps, as well as foreign countries. The base also conducts advanced and tactical navigation, electronic-warfare, instructor, and other training. The B-52 bombers at Mather are programmed to retire, which will leave only the navigator training mission and an Air Force Reserve KC-135 unit. These missions can be relocated within the immediate vicinity to provide improved multi-Service training capability in a more cost-effective manner.

This closure will have no negative impact on the local environment. Cleanup of hazardous materials and waste contamination at Mather is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure. The relocation of the units currently assigned to Mather will not significantly alter the environmental situation at the gaining bases because comparable operations are presently underway at those bases.

This closure will have minimal impact on local employment.

The Commission recommends the following relocations of major units and related support activities:

-- The 323rd Flying Training Wing to Beale AFB, California. This move will take advantage of force-structure drawdown at Beale and improve multi-Service training.

-- The 940th Air Refueling Group (Air Force Reserve) to McClellan AFB, California if local authorities do not elect to operate the Mather facility as an airport. McClellan is only 10 miles from Mather and has the capacity to absorb the unit. Additional savings could be realized if this reserve unit could remain at the Mather facility.

Norton Air Force Base, California

The Commission recommends Norton AFB for closure primarily because of air traffic congestion, inadequate facilities, and because of excess capacity within the category. The net cost of closure and relocation will be paid back within two years. The Commission expects annual savings to be $67.9 million.

The military value of Norton AFB is lower than other strategic-airlift installations because of a combination of increasing air-traffic congestion, outdated facilities, and increasing competition for skilled personnel.

Norton AFB is currently one of six Military Airlift Command strategic-airlift bases that provide airlift for troops and military cargo. The wing at Norton supports US Army and Marine Corps airlift requirements and participates in other airlift operations. Flight operations at Norton have become constrained because of increasing air traffic congestion in the Los Angeles area.

Norton AFB has a number of large warehouses of generally poor quality. Only the relatively temperate climate allows their use, but deterioration continues. There is also a shortage of weapons storage facilities. Utilities and most other facilities need a general upgrading to meet today's technological standards. Because of the poor quality of facilities, higher than normal expenditures are required for maintenance, repair, and periodic replacement.

There are also deficiencies at Norton AFB in the area of quality of life. The most prominent include a shortage of family housing units and inadequate medical, dental, and recreational facilities. The installation also has difficulty meeting civilian hiring requirements due to the demand for technically qualified workers by other industries within the civilian sector.

This closure will have no negative impact on the local environment. Cleanup of hazardous materials and waste contamination at Norton is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure. The movement of the units currently assigned to Norton will not adversely affect the environmental situation at gaining bases since comparable operations are already underway there.

This closure will have minimal impact on local employment.

The Commission recommends the following relocations of major units and related support activities:

-- Three Squadrons of the 63rd Military Airlift Wing and the 445th Military Airlift Wing (AFRES) (C-141, C-21 and C-12 aircraft) to March AFB, California. The remaining squadron (C-141 aircraft) to McChord AFB, Washington. These moves will enhance command and control, and reduce the cost of operations while still providing for three strategic-airlift installations on the West Coast.

-- The Air Force Inspection and Safety Center to Kirtland AFB, New Mexico, to be consolidated with the Nuclear Safety and Inspection Center.

-- The Air Force Audit Agency to March AFB. This provides new, modern facilities for this unit within the same local region.

The Commission notes the Air Force is exploring other alternatives for accomplishing the Air Force Audio Visual Service Center mission and therefore recommends that the Air Force be given the option of moving this unit to March AFB or retaining it in its present location at Norton. The annual savings reflect the movement to March.

Because of the high cost of relocation and the functional requirement for the Ballistic Missile Office to remain in the local area, the Commission recommends it remain at Norton AFB. In order to reduce the shortage of family housing in the local area, the Commission further recommends that Norton AFB family housing be retained for use by personnel assigned to March AFB.

Pease Air Force Base, New Hampshire

The Commission recommends Pease Air Force Base for closure primarily due to quality and availability of facilities, and because of excess capacity within the category. The net cost of closure and relocation will be paid back immediately. The Commission expects annual savings to be $95.7 million.

Pease AFB has a shortage of buildings for operational, training, and maintenance purposes. In addition, the military family housing is inadequate and requires upgrading. There are also deficiencies in the area of quality of life, the most prominent being a shortage in recreational facilities.

Pease AFB is currently one of 12 Strategic Air Command bomber bases. An Air National Guard Unit with a peacetime and wartime refueling mission is also assigned to Pease.

Pease's FB-111 bombers are programmed to be transferred to the Tactical Air Forces now that the B-1 bomber aircraft is operational. This will leave the base with only the 509th Air Refueling Squadron. There is sufficient capacity within the strategic-bomber category to absorb the remaining units at other locations at minimum cost.

The military value of Pease AFB is also lower than other strategic-bomber bases because of low pre-launch survivability from submarine-launched ballistic missiles. Pease's location provides less warning time for aircraft to launch during times of increased tension or international conflict.

This closure will have no negative impact on the environment. The cleanup of hazardous materials and waste contamination at Pease AFB is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure. The movement of units currently assigned to Pease will not significantly alter the environmental situation at gaining bases since comparable operations are presently under way at those locations.

This closure will have minimal impact on local employment.

The Commission recommends the following relocations of major units and related support activities:

-- The 509th Air Refueling Squadron (KC-135 aircraft) to Wurtsmith AFB, Michigan; Plattsburgh AFB, New York; Eaker AFB, Arkansas; Carswell AFB, Texas; and Fairchild AFB, Washington. These relocations will improve the efficiency of strategic-bomber operations by linking tankers with bombers, thus avoiding military construction by utilizing facilities that already exist at those locations.

-- The 132nd Air Refueling Squadron, (Air National Guard (ANG) KC-135 aircraft) assigned to Pease to remain within its current cantonment area. The transfer of property ownership should include a memorandum of agreement that will permit the continued presence of the ANG and provide for the unit's future requirements. If local authorities do not elect to operate the facility as an airport, the ANG unit must be relocated. The Commission is aware that Pease is high on the Federal Aviation Administration's list of military bases with potential for civil use and believes that the ANG unit will likely be allowed to remain at Pease.

MISCELLANEOUS PROPERTIES

The Commission recommends the Defense Mapping Agency (DMA) site in Herndon, Virginia for closure. Implementation of the Global Positioning System will eliminate the need for these facilities and property. There are no relocation costs associated with the closure as reassignment of personnel to the DMA Hydrographic-Topographic Center in Brookmont, MD is in the local commuting area. Payback will be immediate. The Commission expects annual savings to be $70 thousand. There are no negative socioeconomic or environmental impacts associated with this closure.

The Commission reviewed a number of Service properties that had been recently surveyed by the General Services Administration (GSA). GSA survey report findings were compared to the Services' evaluation of the properties for consistencies and discrepancies. Four of these properties are recommended for closure by the Commission and two are recommended for partial closure:

-- The Commission recommends the Bennett Army National Guard Facility, Arapahoe County, Colorado for closure. There is no longer any military mission supported at this location and no personnel are assigned to the facility. There are no closure or relocation costs associated with this recommendation. The underground storage tanks at the Bennett facility require cleanup and are the only known environmental problem.

-- The Commission recommends the Army Reserve Center, Gaithersburg, Maryland for closure. The Army Reserve has relocated to a new site and there is no longer any military mission supported at the location or personnel assigned to the facility. There are no closure or relocation costs associated with this recommendation. At present, there are no environmental problems known to exist at this site.

-- The Commission recommends the Salton Sea Test Base, Imperial County, California for closure. There is no longer any military mission supported at this location and no personnel are assigned to the facility. There are no closure or relocation costs associated with this recommendation. There are contaminated areas at Salton Sea Test Base that must be cleaned up. Examples of contamination are PCB, asbestos, expended small-arms ammunition, a landfill site where batteries were discarded, and 20 underground storage tanks. Cleanup is expected to require significant costs and take at least three years. Cleanup, which is independent of the closure, is covered by the Defense Environmental Restoration Program.

-- The Commission recommends the Naval Reserve Center (Coconut Grove) Miami, Florida for closure. A new facility is currently under construction for the Reserves at another site. Once this construction is complete, there will no longer be any military mission supported at this location. Relocation costs will be minimal and there are no environmental problems anticipated.

-- The Commission recommends Fort Des Moines, Iowa for partial closure. Approximately 56 acres in the south portion of Fort Des Moines, as identified in GSA survey report of December 2, 1983 (GSA Inventory Control Number 2100-20264), are recommended for closure. Fort Des Moines is on the National Register of

Historic Places and the Defense Department should coordinate with the State Historic Preservation Office and the Advisory Council on Historic Preservation to develop appropriate preservation guidelines. There are no relocation costs associated with this recommendation. One building and some of the land are contaminated with pesticides and other contaminates, possibly asbestos and PCB. Cleanup of these sites is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure action.

-- The Commission recommends the closure. Approximately 900 acres on the north side of the installation that do not support any military mission are recommended for closure. There are no relocation costs associated with this recommendation since no personnel are assigned in this area. No significant environmental problems are anticipated from the closure.

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Appendix I

Redevelopment in Twenty Communities

Mobile, Alabama: The city secured 3,500 new jobs with Teledyne-Continental Motors, International Paper, and the University of South Alabama at Brookley Air Force Base and another 1,300 new, private-sector jobs at the former Theodore Army Terminal.

Benicia, California: Private developers have replaced the former arsenal with facilities for Exxon, Sperry and an automobile-importing operation, for a total of 5,510 jobs.

Colorado Springs, Colorado: Ent Air Force Base has been converted into the National Olympic Training Center.

Orlando, Florida: McCoy Air Force Base is now a municipal airport and an industrial park with a total of 3,049 new jobs.

Albany, Georgia: The former Albany Naval Station has been converted to industrial facilities for the Miller Brewery Co. and the Kroger Co., with a total of 2,000 new jobs.

Brunswick, Georgia: Glynco Naval Air Station now provides a home for the Federal Law Enforcement Training Center and a new municipal airport, for a total of 1,200 jobs.

Salina, Kansas: Schilling Air Force Base provides facilities for Beech Aircraft, a food production operation, and two vocational schools, for a total of 4,900 jobs.

Bangor, Maine: An aircraft-servicing facility and a satellite campus for the University of Maine were established at Dow Air Force Base, with a total of 2,470 jobs.

Presque Isle, Maine: Missile hangers were converted to facilities for manufacturing shoes, plywood, and potato products, creating 1,100 jobs.

Boston, Massachusetts: Charlestown Naval Shipyard has become a historic park and a commercial and residential complex. The South Boston annex has become an industrial park. Boston Army Base has become a commercial office facility.

Springfield, Massachusetts: Digital Equipment, Milton Bradley and Smith & Wesson are now located at the Springfield Arsenal, together with the new Springfield Technical College, providing 3,300 jobs.

Sault Ste. Marie, Michigan: Geographically isolated Kincheloe Air Force Base has provided 990 new manufacturing jobs and a state minimum-security prison.

Neosho, Missouri: Over 2,300 new jobs have been created at Camp Crowder and Air Force Plant No. 65 by new industrial firms and Crowder College.

Edison, New Jersey: Raritan Arsenal has been transformed into an industrial park with 13,100 employees. RCA, American Hospital Supply, Nestle, R.H. Macy, Middlesex County Community College are located there.

Roswell, New Mexico: Walker Air Force Base is the site for Greyhound's bus manufacturing facility and other private-sector firms, along with Eastern New Mexico University, for a total of 2,770 new jobs.

Toledo, Ohio: Rossford Arsenal is used by Hunt Foods, Owens Illinois, Ace Hardware, Michael Owens Junior College and Penta County Vocational School, for a total of 3,900 jobs.

Quonset Point, Rhode Island: A new general-aviation airport and port-authority industrial park provide 7,000 jobs.

Greenville, South Carolina: Donaldson Air Force Base has become an industrial complex that includes facilities for Union Carbide, 3-M Company, Norwich Pharmacal, and others, for a total of 3,500 jobs.

Amarillo, Texas: Amarillo Air Force Base is now home to Bell Helicopter and Texas State Technical Institute, with a total of 1,030 jobs.

Mineral Wells, Texas: Fort Wolters has been converted to an industrial park and the Weatherford College campus, for a total of 1,300 jobs.

Appendix J

Public Hearings and Witnesses

DEFENSE MISSIONS **JUNE 8, 1988**

Hon. William Roth
VADM J. A. Baldwin, USN
GEN Carl E. Vuono, USA
Hon. William L. Ball, III
GEN Thomas R. Morgan, USMC
GEN Larry D. Welch, USAF
Gene R. La Rocque
Stephen Moore
Hon. Richard Armey
Hon. John O. Marsh, Jr.
Hon. John W. Shannon
ADM Carlisle A.H. Trost, USN
Hon. James McGovern
LTG Vincent M. Russo, USA
Fred Thompson

SOCIOECONOMIC IMPACT **JULY 7, 1988**

Hon. Charles A. Bowsher
William C. Wright
Gordon Davis
Hon. Herman Costello
Gary Engebretson
Paul J. Dempsey
Dr. John Lynch
Frank P. Cipolla
Frank C. Conahan
Edward Lashman
William Laubernds
Robert Edgell
Orson G. Swindle, III
Dr. Robert M. Rauner
Paul W. Johnson
Dr. Alan S. Gregerman

ENVIRONMENTAL ISSUES **JULY 28, 1988**

William H. Parker III
Gary D. Vest
Dinah Bear
Brock Evans
Barry Breen
Lewis D. Walker
CAPT Richard H. Rice, Jr.,USN
William D. Dickerson
Lynn A. Greenwalt

LESSONS LEARNED **SEPTEMBER 14, 1988**

Hon. Robert S. McNamara
Hon. Paul R. Ignatius

FUTURE BASING NEEDS **OCTOBER 6, 1988**

MG Wilson A. Shoffner, USA
VADM Stanley R. Arthur, USN
LTG William G. Carson, Jr., USMC
MG Walter E. Webb, III, USAF
Richard Brody
Marcy Agmon
Hon. R. James Woolsey
Dr. Edward N. Luttwak
Hon. Fred Ikle

ADDITIONAL VIEW

Additional View of Thomas F. Eagleton

I harbor one strong additional view which I feel compelled to state. The cooperation with the Commission's efforts varied significantly from service to service.

The Air Force ultimately gave its cooperation. The Army begrudgingly gave its reluctant cooperation. The Navy stonewalled and got away with it. Intransigence paid off. When the new Secretary of Defense looks to further base closings as a means of trimming the Pentagon budget, he should most certainly start with the Navy. The Navy "refused to play" this time; it should be obliged to next time.

Dr. **Bryan**. It did occur to me last night, though, there are a few things I probably ought to say although I was not preparing any kind of formal statement. There are a few observations that I think should appear on the record.

First, the report of the Commission reflecting its recommendations is a solid report. It has received the support of the three service Secretaries, the Chairman of the Joint Chiefs of Staff and the Secretary of Defense.

At the same time, it is a humble report. It does not pretend to make excessive claims that are unsupportable. While the press across the Nation, for instance, touted the Base Closure Commission as a source of $2 to $5 billion per year in savings, the members of the Commission did not succumb to political instincts to try to match these unfounded estimates at the expense of national security.

That leads to a second point. In addition to the $700 million a year in savings inherent in the Commission's recommendations, there exists an advantage to these recommendations that is not always apparent. The consolidations and realignments recommended by the Commission will do much to improve the training environment, the command and control and the efficiency of overall operations for the armed services.

While the value of such improvements is difficult to state, we should feel comforted in the knowledge that such improvements can be made in the era of declining defense budgets.

I know all of you here and many Members in the Senate have been approached by constituents who object to their base being closed and who feel, albeit unwittingly, that national security policy should revolve around their personal desires and conveniences. I would urge you to look beyond these limited interests and support this package.

Finally, like all of you and most people across the Nation, I have spent no little time in the last few weeks preparing my own IRS tax forms. It is personally irritating to me as a taxpayer and a former Senate budget staffer to know that I will end up sacrificing my hard-earned money to support a Federal budget that is still rife with waste.

The Commission's report is an opportunity to reduce spending by eliminating this fat and strengthening the muscle of our defense establishment. On behalf of all the taxpayers who feel similar frustrations, I urge you to join the Commission and support its recommendations.

I am proud to have worked with these distinguished Commissioners, true public servants who gave weeks of their time without pay to improve defense posture and save tax dollars. I will be happy to answer your questions, but I ask you to remember that only the report speaks for the Commission. I can only provide you with background on the general procedure or promise to check our voluminous records for answers to specific data points.

Thank you.

Senator **Dixon**. Thank you very much, Dr. Bryan.

First of all, may I ask you to state for the record the position you held in connection with the work of the Base Closing Commission.

Dr. **Bryan**. I was the executive director for the staff.

Senator **Dixon**. Can you give us your full name and address now?

Dr. **Bryan**. Yes. Hayden G. Bryan, Ph.D. [address omitted by request].

Senator **Dixon**. Thank you very much, Dr. Bryan.

With reference to the work that was done in connection with the Base Closing Commission, I hold in my hand certain documentation of discussions that were held which originally had been marked secret but which I now understand has been unclassified for the obvious reason that it never should have been secret in the first place.

I take it that you are familiar with these transcripts of the Commission?

Dr. **Bryan**. There was such a document. I am not sure which version you have there, but there was a transcript, yes.

Senator **Dixon**. Tell me, when you had these meetings where these discussions took place, who would be at those meetings ordinarily?

Dr. **Bryan**. The Commissioners and the Commission staff.

Senator **Dixon**. The discussions that transpired in the documentation that I hold do not indicate who made the statements. I take it that someone at the Commission blacked out the names of individuals who were involved in the general discussions so that Members of the Congress would not know who made the statements that are part of the transcript?

Dr. **Bryan**. The transcripts are now under the control of the Defense Department. That is their responsibility.

Senator **Dixon**. So the Commission did not do this? The Department of Defense did this, in your view?

Dr. **Bryan**. Yes, sir.

Senator **Dixon**. Were you at all of the Commission meetings?

Dr. **Bryan**. Yes, sir.

Senator **Dixon**. Generally then, you know what transpired at those meetings?

Dr. **Bryan**. About 95 percent of it, yes.

Senator **Dixon**. I read to you from page 414 of Alderson Reporting Company, Inc.'s transcript of what transpired at that meeting these statements.

> Chanute Air Force Base was rated the lowest because the availability and the quality of facilities detracted from mission accomplishment. It's a small base, et cetera, and we could find good location for others. This was of the five closure candidates, we're right on the margin here on payback. The land is farm land in Illinois. It's not worth hardly anything. The construction costs are quite high, and the steady state savings is not great which is reflected in the payback.
>
> So on the margin here, we're right on the margin on this one. This has been a big bill to pay because the land value is not worth much, and the steady state is not as high. The impact on economy is 3,000 people, only 3 percent of the local employment, and the environmental impact is none.

Do you recall that discussion taking place?

Dr. **Bryan**. In general terms. I think I was there for it, yes.

Senator **Dixon**. Now it is a fact, is it not, Dr. Bryan, that neither you as the person in charge of the Commission staff nor any other member of the Commission, Commissioners themselves or any of the staff, went out to look at Chanute?

Dr. **Bryan**. Not during the course of this particular research, no.

Senator Dixon. From the time that the bill passed thus authorizing the Commission which had been previously constituted by a decision by Secretary Carlucci until the time of the report, no one went out to Chanute; is that correct?

Dr. Bryan. To the best of my knowledge, no one visited Chanute.

Senator Dixon. May I ask you whether you have in your records the names and addresses of all people of staff on the Commission?

Dr. Bryan. Former staff, yes.

Senator Dixon. You do have those?

Dr. Bryan. Yes.

Senator Dixon. So that if my office gave you a written request for that, you could supply the names, addresses and so forth of the members of staff independent of the Commission members themselves?

Dr. Bryan. Yes.

Let me point out for everyone who has not had a chance to read the report that the staff is listed in the report on page 48.

Senator Dixon. On page 48, all staff members are listed. Is the present addresses and other information concerning the staff listed as well, Dr. Bryan?

Dr. Bryan. No addresses, just staff. We did not feel it was necessary to put addresses in.

Senator Dixon. I want to make my reason clear for asking this question sir. A lawsuit will be filed by folks around Chanute to test the veracity of the decisions made by the Commission. I think it is an entirely appropriate thing to do in a democracy. In that case there will be, of course, questions asked of Commission members.

So I will ask whether you can make available to this committee the names and addresses of Commission staff.

Dr. Bryan. They were Defense Department employees. I do not know what the Freedom of Information Act or the Privacy Act would allow in that case. You would have to check with the Department.

Senator Dixon. Were all Commission members employees of the Department of Defense?

Dr. Bryan. Commission members?

Senator Dixon. No, staff.

Dr. Bryan. They were employed by the Department, yes. We had no other funding.

Senator Dixon. Then do I understand from your statement that all staff members were Department of Defense employees?

Dr. Bryan. Only for the purpose of the research and the time that this Commission was sitting. There were some members of the staff who were from the Department of Defense and some who were not. That was required by the law, by the way.

Senator Dixon. Yes, I know. I put the amendment on the bill.

The statement you are making, however, is that at the time that they served as Commission staff members, they were during that period of time paid by the Department of Defense?

Dr. Bryan. Yes. We had no other funding.

Senator Dixon. What are you doing now, Dr. Byran? I do not mean this in a facetious way. Are you still with the Department of Defense?

Dr. Bryan. Yes. I am answering hundreds of questions.

Senator **Dixon**. I think I will send the written request to you with a copy to Secretary Cheney for the names and addresses of the people who served on staff.

How many of them constitute people in the room with you today? Are there quite a few of your staff people here?

Dr. **Bryan**. Four or five at least, yes.

Senator **Dixon**. Could you identify the ones who are here?

Dr. **Bryan**. They are in the front row.

Senator **Dixon**. I wonder if I could have the names and addresses of the folks in the front row and if they could stand as their names are given to the committee so that we can have a record on those folks.

Mr. **Shadis**. Thomas Shadis, S-h-a-d-i-s.

Senator **Dixon**. Sir, I am afraid I did not hear you up here.

Mr. **Shadis**. Lt. Col. Thomas A. Shadis, S-h-a-d-i-s.

Senator **Dixon**. Thank you, sir.

Mr. **Flachbarth**. Charles Flachbarth.

Senator **Dixon**. Does the reporter have the spelling of these? I wonder if the reporter can get the spelling of the names and the addresses. It is not so important that I hear it right now but it is important that the reporter has it for the record.

Dr. **Bryan**. We can certainly do that.

Senator **Dixon**. Perhaps one of my staff people could write down the names and addresses of the staff.

Thank you very much.

Mr. **Urban**. Kevin Urban, U-r-b-a-n.

Senator **Dixon**. Thank you, Kevin.

Mr. **Milnes**. Mr. Russ Milnes.

Mr. **Hansen**. Mr. Doug Hansen.

Mr. **Miller**. Commander Charles F. Miller.

Mr. **Sandefur**. Lt. Col. Jeff Sandefur.

Mr. **Banjunis**. Mr. Van Banjunis.

Ms. **Gordon**. Major Nancy J. Gordon.

Senator **Dixon**. Thank you, Major.

Well, that is fine. I thank you for identifying yourselves.

Dr. Bryan, in prior hearings of the full committee we used some charts, and I wonder if Laura would be kind enough to put up the chart that shows the original evaluation of the five bases with the numbers attributed to each base.

Thank you, Laura.

Dr. Bryan, these are the five Air Force technical training bases that apparently you ladies and gentlemen had under consideration, is that right?

Dr. **Bryan**. I am sorry. I did not hear the question.

Senator **Dixon**. Those are the five bases, Air Force technical training bases that the Commission had under consideration for possible closure?

Dr. **Bryan**. Yes, that is correct.

Senator **Dixon**. You note, do you not, Dr. Bryan, that the Commission ascribed a certain numerical quantitative analysis to those five bases.

Do you note that?

Dr. **Bryan**. That there were quantitative analyses assigned?

Senator **Dixon**. That you gave a number to those bases.

Dr. **BRYAN**. We had numbers, yes.

Senator **DIXON**. If you can tell me for the record, who created the rating system?

Dr. **BRYAN**. It was developed by the staff at the direction of the Commission to provide some starting point for their deliberations later.

Senator **DIXON**. Well, now, I have a big staff but I know who makes decisions about policy matters, and I ask you as the head of the Commission to tell me who contrived the rating system? Who created it? Who is the father or the mother or the brainchild of the rating system that was employed here? There is nothing wrong with it, you understand.

Dr. **BRYAN**. It was a team effort. I do not think I could identify a particular individual.

Senator **DIXON**. Who would you say had the special expertise?

Dr. **BRYAN**. There were a lot of people—those on the Commission staff, consultants, advisors from the services, and so forth. There were a lot of people involved.

Senator **DIXON**. Would you say that all members of the Commission were involved?

Dr. **BRYAN**. Only in giving us the general direction to come up with the methodology. I would say that since there were a couple of members of the Commission who were late arrivals because of the late requirement in the law, they were not as heavily involved in the earlier part of the development.

Senator **DIXON**. Senator Thurmond, I yield to you.

Senator **THURMOND**. Thank you, Mr. Chairman.

Dr. Bryan, there have been published reports that the majority of the savings to be realized from base closings is based on force structure reductions associated with the closing or realignment of the bases.

What percent of the estimated $698 million in annual savings is based upon force structure, and is it the intent of the Commission that along with the base closings there will be a reduction in forces?

Dr. **BRYAN**. The savings are in large part due to the opportunity to reduce personnel costs, and I say an opportunity because the Commission obviously did not have the authority to make determinations of that sort. That is something that is left for the Department and the Congress to make together.

The estimate, I think, from the General Accounting Office for the Air Force categories was about 84 to 85 percent of the savings would be in personnel costs, which is not surprising since you know personnel is a very high cost for a labor-intensive activity such as national defense.

Senator **THURMOND**. Dr. Bryan, Secretary Cheney has been quoted as saying that he would like to see additional base closings.

In view of your work on this Commission, would you advocate additional closures at this time, and how would you propose that those installations be identified?

Dr. **BRYAN**. Sir, I can speak on my own personal opinion based upon my overview of this process, and that is that I think there are some other opportunities.

The Secretary would not allow the Commission to review Government-owned contractor-operated plants. The Army owns quite a few ammunition plants of a GOCO nature that the Commission was desirous of looking at in more detail. We were advised, however, by the Department's general counsel that they were not a legitimate area of interest for this Commission.

I think personally that they could be reviewed for some savings not just because you could save the operating cost of the base, which in some cases may not be that significant—some of them are, as I understand, mothballed during a large part of the year—but I think if you eliminated some of those bases or some of those GOCO's you would have an opportunity to eliminate the temptation for someone in Congress to insist that they be used for producing ammunition when in fact they are the least effective method, less efficient dollarwise, for producing ammunition.

I think there are other opportunities that the Commission mentioned in its report that are not necessarily related to base structures or to what most people would consider to be normal military installations such as labs.

Also, the Commission felt that there was an opportunity to look at reserve centers at sometime in the future and encourage the Department of Defense and the Congress to try to do something along those lines.

Senator THURMOND. Dr. Bryan, if Congress does not capitalize the base closure account with the $300 million in appropriations as recommended by the Commission, what will be the impact on the base closings?

Dr. BRYAN. It is my understanding of the law, Senator, that the bottom line is that the bases must be closed, so I do not know where those people would go if they did not have the money to provide whatever additional facilities are needed at the new installations to provide an effective working base for those units.

I think it would be unfortunate for what the Department estimates about $1 billion to kick off the funds, some seed money. We can save an awful lot of money and do an awful lot to improve the efficiency of our Armed Forces and their operating bases.

Senator THURMOND. In considering the base closure of the respective bases, was the Commission in accord or was there a difference of opinion on some of these?

Dr. BRYAN. The vote was unanimous in the end.

Senator THURMOND. The Commission was unanimous in the recommendations they made on all the bases?

Dr. BRYAN. Yes, sir.

Senator THURMOND. Thank you very much.

Senator DIXON. Dr. Bryan, Senator Wilson is here and shortly will be prepared to ask some questions. In the meantime I will ask you some, and then I will yield to him.

Getting back to the rating system by which you rated these bases for potential closure, I wanted to show you another chart here in connection with some errors that we think were made by the Commission in coming to their conclusions and see what your comments would be about that.

Laura, could you put up the chart that shows the differences that we found between the findings of the Commission and the facts as they exist at Chanute.

I am showing you here, Dr. Bryan, the figures provided by the Commanding General at Chanute are substantially higher than the figures found by the Base Closing Commission. I will ask you whether you would agree that the statistical analysis would be subject to the basic correctness of the numbers you used?

Dr. BRYAN. Let me just say in a pure sense it was not a statistical analysis. It was an arithmetic calculation.

Senator DIXON. I would yield to your superior intellectual understanding of the process.

In any event, it would depend upon the numbers that were employed, would it not? Please forgive a layman for retreating to this terminology. The numerical analysis of it led to certain conclusions based upon the numbers, did they not?

Dr. BRYAN. Yes. That was one of the considerations used by the Commission.

Senator DIXON. So to the extent that there are errors in this regard, it would affect, would it not, the ultimate decisionmaking process; that is to say, the process of analysis would be flawed?

Dr. BRYAN. Well, it would not indicate a flaw in the analysis, per se. It might indicate a flaw in the conclusion.

Senator DIXON. Well, let me show you another chart, the one that finalizes our application of existing factual data. This chart entitled "Utility Array, Air Force Technical Training Bases, Bachelor Housing and Medical/Dental Facilities Corrected" shows that taking the correct figures that exist, Chanute Air Force Base, Illinois, Lowry Air Force Base, Colorado and Goodfellow Air Force Base in Texas all have 350. Kessler Air Force Base has 325, if I can read from here. My old eyeballs are not that great without the glasses. Lackland Air Force Base, Texas has 300.

I am delighted to see my distinguished ranking member here.

Returning again to the thesis that I was employing in my inquiry, do you see how a change in numbers can affect the result from the standpoint of the standing of the bases, Dr. Bryan?

Dr. BRYAN. Oh, absolutely, it can.

Senator DIXON. In employing those numbers, I do not want to be overly critical about this. Please understand that all of us act under some time constraints. Is it not a fact, Dr. Bryan, that the lack of time impacted on what the Commission did?

One of the arguments I made during the debate on this issue was that the time constraints were severe. Did you feel those time constraints?

Dr. BRYAN. Obviously we had to work long hours to accomplish this thing in the requisite amount of time, but in the end we did not have a problem. I think the answer is the same answer you would have had if you had another year to work on it. It would not change the answer at all.

I think what it would change, as Senator Thurmond was pointing out, the Commission's opportunity to get into other areas, and that is where they would have gone had they had more time.

Senator DIXON. Let me reread something said here. "This was, of course, the five closure candidates. There they are right there:

Lowry; Goodfellow; Chanute; Keesler; and Lackland. We are right on the margin here."

Then down here on line 23, "And so on the margin here, we are right on the margin on this one."

That is the statement, is it not?

Dr. **Bryan**. I do not have it in front of me. I will take your word for it.

Senator **Dixon**. So here is a situation where you were right on the margin. You had five bases: Lowry; Goodfellow; Chanute; Keesler; and Lackland. You were right on the margin. Time was limited. There were constraints. Decisions had to be made, and a decision was made in which you applied an analytical system to help you in your decisionmaking.

Now I do not know what you call it. I again yield to your superior understanding of what you were doing there. But that played a part.

Dr. **Bryan**. For the Commissioners, yes, sir.

Senator **Dixon**. For the Commissioners it did play a part, and you are nodding yes for the record?

Dr. **Bryan**. Yes, sir, that is correct.

Senator **Dixon**. Well, I put it to you, Dr. Bryan, as fair men discussing this together, whether it would not have been useful for someone to go out there, some staff person, get on an airplane and fly either to Chicago or St. Louis and travel to Chanute, which this Senator has done innumerable times, and spend a day looking at some of these things to make sure the numbers were accurate?

Dr. **Bryan**. Not necessarily. The Commission's procedure was to take the data that it had in its data base and check it by what I might loosely call random sampling of bases. This is why I get into the issue of whether it was statistical or not. I do not want to claim we had a scientifically statistical test of the data.

We sampled the data that we had and tested it and found that the data that was provided by the service was correct. The Commission in the end had no problem with that data.

So I think as far as visiting any individual base, it was not necessary.

Senator **Dixon**. Dr. Bryan, was your Chanute Phase 1 data verified for accuracy by an independent contractor or a contractor validating team employed by the Commission? If so, why have validation reports not been provided to this committee as part of my request for every scrap of information that the Commission used to assess Chanute?

Dr. **Bryant**. They were validated in general, and if you are looking for validation numbers on a particular base I do not think you would necessarily find them. As I said, we took a random sample or a more-or-less random sample and checked out the data. We had a contract to do it. Some of the Commissioners participated. I do not believe, however, that there is a validation report on Chanute, if that is what you mean.

Senator **Dixon**. So you do not think there is an independent contractor or contractor validating team that was actually employed by the Commission to valildate these numbers?

Dr. **Bryan**. No. We had a team. We had independent contractors. We had our own staff. We had the Commissioners. What I am saying is they did not go to Chanute, to the best of my recollection.

Senator **Dixon**. Well, I understand that, but independent of staff, independent of the Commissioners, this is the point I make.

You see, for instance, and without being argumentative, Dr. Bryan, the GAO has faulted some of your findings, and the question I have is did anybody independent of staff and the Commissioners verify numbers or the statistical analysis employed here?

Dr. **Bryan**. I am not sure who else there might be. Do you have somebody in mind?

Senator **Dixon**. No, Dr. Bryan. In all fairness, I am asking in all fairness whether you could give me a name; you know, we hired so-and-so reputable firm to look at this independent of our own analysis. That is all I am asking.

Dr. **Bryan**. Well, we had as a part of our staff support the Logistics Management Institute.

Senator **Dixon**. Say again?

Dr. **Bryan**. The Logistics Management Institute.

Senator **Dixon**. Where is that located?

Dr. **Bryan**. Somewhere near Glen Echo in Maryland.

Senator **Dixon**. Okay, staff knows what you are talking about. Thank you.

Let me say I am delighted to have my distinguished colleague, the ranking member, Senator Slade Gorton here. I would be delighted to yield to him.

Senator **Gorton**. Thank you very much, Mr. Chairman. I am interested in your questions because, of course, you are coming at this from a somewhat different point of view than I. I was not here in the Senate last year when the Base Closure Commission legislation was passed. My State is not particularly affected by it one way or another. So I do not have this kind of specifics to examine about.

As I told you at our earlier hearing, I spent some time at Chanute Air Force Base as a private some 30 or more years ago. I would have been happy if it had been closed then. [Laughter.]

That has no relationship to the situation here now.

I do have an opening statement, and with your indulgence I will have that inserted into the record right after your own.

Senator **Dixon**. That will be made a part of the record subsequent to my statement.

Senator **Gorton**. I simply have two points I wanted to make, Dr. Bryan, and maybe one or two questions, and then I would like to listen to more of what Senator Dixon has to ask.

First, I do hope you will have sufficient staff to answer the legitimate questions which Senators have on specifics in a more satisfactory manner than I felt was the case back in March when these original questions were raised by Senator Dixon and others.

The second question and the one on which I want your comment is the General Accounting Office's finding that a large share of the savings from these bases will be tied to the elimination of military and civilian personnel positions. I want to know whether or not you agree with that understanding and, if you do, how do these potential savings, the advertised savings from the implementation of the base closure report, relate to a couple of things.

I gather we do not see them in the budget which we have before us; perhaps we do. Maybe you can tell me about where we will actually see something tangible as a result of this base closure.

Second, because DOD presumably is implementing ways for local communities to deal with base closures and ways for employees to deal with base closures, to precisely the extent that we provide this community assistance and precisely to the extent that we attempted to find other places for personnel who will become redundant, are we eating into and perhaps causing to disappear the very savings the Base Closure Commission was designed to create?

Dr. BRYAN: Let me just say with respect to answering the questions that we have been busy full tilt answering questions, and I believe the Department of Defense has been doing the same thing.

I think if there are deficiencies in the answers, obvious oversights, I, for one, would be glad to correct them.

I do think, however, that some of the questions that have been asked require such a detailed answer that I think the invitation to your staff or any of the staffers in the Senate and the House to come down and look at the Commission's files ought to be accepted, because some of the answers are so voluminous that it would be very difficult to put them on a piece of paper.

As far as the economic and other budget impact of these recommendations, there is a very good program within the Department of Defense for the reassignment of personnel. It has received rave reviews from the General Accounting Office and from other outside organizations. The personnel director from the Department of Defense testified before the Commission on this particular program, and the Commission was satisfied that it was a good program for the reassignment of personnel who wish to remain with the Defense Department.

As far as the individual costs are concerned, the costs themselves are relatively small in the other budgets; that is if you are looking at HHS or Education or one of the other departments of the Federal Government. The budgetary impacts are fairly small.

This was something that was fairly clear in an intuitive way to the Commission and to the staff; but since then we have had a report that has been filed by the Congressional Budget Office that confirms that judgment.

Senator GORTON. Now we have talked about two different costs, or you have, and you say the cost, I presume, of helping communities economically to adjust to the changes is what you're speaking about. That would appear in HHS or in some other budget and is relatively small.

If, however, you have a program within DOD that transfers either civilian or military positions which become redundant, to exactly the extent that that transfer program is successful, are you not eating in a major way into the savings from the Base Closure Commission report?

Dr. BRYAN: The Commissin did not feel it was within its charter, and I think everyone would agree that the Commission was not in a position to make recommendations on end strength or the civilian work force.

Now the two co-chairmen have testified before the House Armed Services Committee and indicated, and I think correctly, that the decision as to where these funds should go now that they have been freed up or whether they should go to other bases or whether they should go to reduce the deficit or go to fund programs outside the Defense Department is a job for the administration and the Congress. They were not in a position to make a recommendation on final end strength.

So the way I view it is that the Commission has provided the Congress and the Defense Department and OMB and the President with an opportunity to cut the budget if it so feels that it wants to.

If, on the other hand, as far as the defense budget is concerned, they feel that there is a need for these slots in another location, that would be a judgment that would have to be made by the national leadership.

On the other hand, if they feel that the funds that otherwise would be saved or necessary for a program outside the Department of Defense, that was certainly outside our purview.

Senator GORTON. Thank you, Dr. Bryan, and thank you, Mr. Chairman.

Senator DIXON. I thank the ranking member, we are delighted to have the ranking member of the full committee here, the Senator from Virginia, Senator Warner.

Senator.

Senator WARNER. I have no questions. Thank you, Mr. Chairman.

Senator DIXON. Dr. Bryan, getting back to the question of validation of these different numbers that were employed, I call your attention to the transcript of November 28 on page 36. Of course, again the problem we have, as you understand, is one I have indicated before. The name of whoever is speaking is blacked out, so that we do not have the name of the individual. I am just explaining that to you so that I cannot say who said this, but you seem to be able to determine whether it is a staffer or a Commission member himself.

A staffer said, and I quote, "We didn't get as good a validation on schools." That is November 28, page 36 of the transcripts with reference to Chanute.

Now why did the Commission not carefully validate this data on Chanute with respect to schools? In other words, the evidence seems to be that the schools are going to have to close as a consequence of the closing of this base. It would seem to me that that would be something that ought to be validated.

Dr. BRYAN. I do not have the transcript in front of me, but my assumption is they are talking about technical schools at Chanute.

Senator DIXON. No, I think they are referring to the school system there. [Pause.]

All right, I stand corrected by staff. That is the technical schools there.

Why should that not be analyzed?

Dr. BRYAN. Why would it not be analyzed? It was analyzed.

Senator DIXON. Staff itself says it did not get as good a validation on schools.

Dr. BRYAN. Well, out of context it is hard for me to say what that means.

Senator **Dixon**. Now there have been charges made that the decision to close Chanute was an Air Force decision and not a Commission decision.

What do you say to that?

Dr. **Bryan**. I sat there through 1,800 pages of transcript while the Commission made their decisions, and so I do not know why anybody would think that. Well, I can understand that obviously the Air Force as well as the other services had input into our decisionmaking process in the sense of providing data and providing us with some technical expertise when necessary, testifying before the Commission. I do not think, however, that there is any way that a reasonable person would say the Air Force made the decision.

Senator **Dixon**. The transcript of November 15, pages 379 and 380, and in the transcript of December 13, page 93, a Commissioner to staffer on the Air Force closure list, "In fact, is this the Air Force solution to closing? That's not your solution, is it?" The staffer replied, "They followed our process and came up with this solution, and we validated that that was good work, good analysis."

A further statement, "It is one of the reasons why the Air Force says it is a place to close."

Dr. **Bryan**. I am sure the Air Force had its own opinion, if that is what you mean. They had their own internal opinion.

Senator **Dixon**. Did you simply accept what they had suggested to you? Is that how we get this type of result that we see in connection with what everyone suggests in the transcript is a marginal issue?

Dr. **Bryan**. I am not sure I know.

Let me get back to the marginal issue for a second. As best I understand it out of context, the question on margin and payback, it was estimated originally to be a 5-year payback as opposed to a 1-year payback which was the kind of results we got with most air bases. They paid back either almost immediately or within 1 or 2 years.

After we scrubbed the numbers we came down to a 3-year close, a 3-year payback on Chanute. The General Accounting Office has been reviewing our cross-model. They feel that we erred on the high side and that they would get down to a number of one or less than 2 years anyway on that closure.

So it really was not marginal in the sense that is being used in the context there.

Senator **Dixon**. The data provided to me indicates that virtually none of the shortages of facilities you referred to in the report actually exists. For example, using the formula you developed and accurate data, Chanute scores much higher for bachelor housing and consequently is not the lowest rated base in this category.

What do you say to that regarding bachelor housing?

Dr. **Bryan**. There is a deficiency in bachelor housing.

Senator **Dixon**. Deficiency?

Dr. **Bryan**. Yes, sir.

Senator **Dixon**. The question is, however, does Chanute not score much higher for bachelor housing than others considered in the same category?

Dr. **Bryan**. Score higher? I do not believe so. I do not have the numbers in front of me. I think it was rated inadequate.

Senator Dixon. Your medical/dental availability figures were short by 70,000 square feet. My information is there is no shortage of these facilities. The third floor of the hospital is not even being utilized at this time.

What do you say to that?

Dr. Bryan. Under the Commission process, that is in fact true. They are short of medical/dental facilities. My review of the numbers there in the last week in response to your questions at the last hearing indicated no change in that answer.

Senator Dixon. Well, where did you obtain the facility date for Chanute that you used in your Phase 1 utility value attribute array of Chanute Air Force Base?

Dr. Bryan. These data were available at either the major command level or at Air Force headquarters.

Senator Dixon. It is a fact that you have overlooked a building altogether, Building 581, a new dorm, in your bachelor housing analysis?

Dr. Bryan. No, sir, we did not overlook it.

Senator Dixon. You did not overlook it?

Dr. Bryan. No, sir.

Senator Dixon. An April 3 letter from the Air Force signed by Timothy Titus, Colonel, USAF, Chief, Program Liaison Division——

Dr. Bryan. What was the date on that letter?

Senator Dixon. April 3, 1989.

Dr. Bryan. What was your point? I am sorry, Mr. Chairman.

Senator Dixon. The point of the colonel is that the difference in bachelor quarters is due to the addition of Building 581, a new dorm.

Dr. Bryan. We did not overlook it.

Senator Dixon. You figured it in?

Dr. Bryan. No. It does not exist. It does not exist today.

Senator Dixon. Building 581?

Dr. Bryan. If it is the one I think he is talking about, it has yet to be completed.

Senator Dixon. Well, it is going to be completed within the month. It exists. I mean, would you take the position that something that is almost completed is not part of adequate bachelor housing? Is that the criteria you use? If the Government, this committee, has already appropriated the fund and they authorize it, the Appropriations Committee appropriated the funds, the building is being built, it has not yet been completed, you would not look into the future, in other words? Are you saying that to me, Dr. Bryan?

Dr. Bryan. What I am saying is if it made a big difference in the way that the scoring of a particular base came out, obviously we would take that into consideration. We were not totally oblivious to ongoing projects on all the bases.

The problem is that the dorm at the time did not exist. It still does not exist. If it is the dorm I think you are talking about, it will not exist until sometime later this year.

Senator Dixon. I am informed that it is almost completed. It would seem to me that in an analysis of something of this sort, that would be a consideration that the space would be available.

Dr. **Bryan**. To be consistent across the bases in order to make this a very fair evaluation, we had to be consistent at all the bases, and we had to take a picture of the data at a particular point in time. We could have done that. We could have picked next August when the dorm is completed.

Senator **Dixon**. I do not want to pursue this ad infinitum, but it would seem to me that one should understand that this Congress and particularly the jurisdictional committees of the House and Senate, this committee and the Defense Subcommittee of the Appropriations Committee, from time to time do try to upgrade these places so that they serve important national security needs.

It may well be that our evaluation was that with that addition, this base would adequately serve in that capacity. I do not understand how the Commission would imply or apply a set of standards that disagreed with the Congress' judgment on that.

Dr. **Bryan**. As you know, it was the Commission that was asked to make the decision, and so for all practical purposes it is the Commission's judgment as to what exists or does not exist, which applies in this particular case.

Senator **Dixon**. Thank you, Dr. Bryan.

Senator Wilson.

Senator **Wilson**. Thank you very much, Mr. Chairman.

Just to pick up on your current line of questioning, I would invite Dr. Bryan's attention to another base, to George Air Force Base. The Commission specifically noted that, "A severe shortage of bachelor housing existed, detracting from the quality of life at George."

What was your source of that information, because I certainly have very different information.

Dr. **Bryan**. Again, these were data that were on the books of the major command and the headquarters of the Department of the Air Force, judgments that were made sometime before the Commission came along, and it was not something the Commission just established as a standard. It in fact had been on the books for quite some time.

Senator **Wilson**. Well, maybe the books you were looking at were rather old.

Are you aware that in 1987 there were three new bachelor dormitories constructed on that base and that the Air Force recently closed a fourth one because it could not obtain 100 percent occupancy?

Dr. **Bryan**. Again, if you look at an individual base either over time or over space, a particular piece of data, without considering the overall impact in the category, I thing it leads to problems in the conclusions that you reach.

If you were to close a base that had additional excess housing or any other kind of facility, mistakenly close a base like that and try to realign the mission to a base that had less of a surplus, you in fact have not only eliminated your surplus but you now have a shortage.

This is the thing that the Commission was chartered to do. The Commission was asked to find out how much excess capacity we had, and this excess capacity was distributed around at a lot of bases. So I do not doubt that there may be an empty dorm, and in fact there are empty dorms in a lot of bases.

Our assignment, the Commission's assignment, was to go out and find this excess capacity and figure out some way to get it off the taxpayers' back.

Senator WILSON. Dr. Bryan, the question I asked you was generated by the finding of the Commission that noted "a severe shortage of bachelor housing". I do not find your answer in any way reponsive, to be perfectly candid.

Let me ask you another question relating to George Air Force Base. The Commission wrote that the long distance between George and the Tonapah electronic combat range reduced the military value of the base partly because of the need for F-4G tactical fighter squadrons to be closer to testing and training grounds.

Was this observation balanced against the fact that George Air Force Base averages 361 flying days a year because of its desert location?

Dr. BRYAN. The weather was a consideration, yes, sir. It was.

Senator WILSON. Could you give us some specific data in terms of how you measured proximity to the training ranges against the number of days that would be available at George as compared with the number of flying days available at the alternative recommended by the Commission?

Dr. BRYAN. I do not have the calculations in front of me, but we would be glad to get them for you or your staff. It was a consideration. It was a negative as far as George was concerned because of the long distances required for travel. Certainly the good flying weather was a positive for George, but the decision to close George or the position in which George fell on the value array was determined by a lot of factors and not just those one or two.

Senator WILSON. We are talking about an Air Force base, and if we are talking about proximity to ranges, that does not do you much good on days you cannot fly. Would you agree?

Dr. BRYAN. Yes, sir, but I would also say that if you spend all that time flying getting to the training range, it is not terribly useful.

Senator WILSON. Dr. Bryan, if you have consideration of more than 150 percent as much availability, that has got to be a hell of a lot longer distance than in fact is the case there. We are talking about 361 flying days as opposed to 221 at Mountain Home Air Force Base, Idaho, which was a recommended alternative.

I would like to have those figures that specifically compared the amount of time and fuel that would be involved in whatever saving is supposed to obtain at Mountain Home as compared with the far greater availability of flying days at George.

Let me get to another point that relates to both the closing of the Letterman Army Medical Center and also the closure at Mather Air Force Base. Both have to do with the cost that will be required in the closure.

By the way, I have not found anything that speaks to what the seismic condition of Oak Knoll Naval Hospital is. Perhaps I missed it. Is it up to current seismic standards?

Dr. BRYAN. To the best of my knowledge, it is. The complaint was about Letterman and not Oak Knoll.

Senator **Wilson**. Yes, I understand that.

Do you have a figure for what the costs in terms of increased CHAMPUS cost will be as a result of the closure of Letterman?

Dr. **Bryan**. The best estimate that we could get for the closure of any hospital is that it is probably a minor savings over all, and I think that has been validated in the discussions we have had since the report came out.

Senator **Wilson**. I beg your pardon?

Dr. **Bryan**. It is probably a minor savings.

Senator **Wilson**. The closure of Letterman will result in a minor savings in CHAMPUS costs?

Dr. **Bryan**. Yes, sir, or you could say zero impact. I do not think that is a very firm number but it is about——

Senator **Wilson**. Closure of the hospital is going to save CHAMPUS costs?

Dr. **Bryan**. Yes, sir.

Senator **Wilson**. Could you explain that, please?

Dr. **Bryan**. What happens is that the physicians and the staff available at any particular hospital are then released to other assignments, which will reduce CHAMPUS costs in other areas; therefore, you either end up with no impact or maybe in some cases a small savings.

Senator **Wilson**. Now just how in the world can that be? You say you are releasing the staff to other places and it reduces the CHAMPUS cost elsewhere. I would really like to see that documented because you obviously cannot redistribute the dependent personnel making use of Letterman. They stay where they are in the area.

Dr. **Bryan**. No, sir. I am talking about the nationwide impact.

Senator **Wilson**. I understand that, Dr. Bryan, but you are not dealing with what the impact is locally from the closure.

Do you know what the increase in the cost in the Bay Area would be in CHAMPUS costs?

Dr. **Bryan**. I imagine there would be some increase there.

Senator **Wilson**. Would you say $40 million per year?

Dr. **Bryan**. I do not have a number with me.

Again, our Commission's purview was much wider than just a particular city or a particular State, and the fact that there would be savings elsewhere, I think, was an important consideration and continues to be.

Senator **Wilson**. I would like to have you supply me with the information that indicates an overall savings.

Dr. **Bryan**. I will get that for you, Senator.

Senator **Wilson**. Similarly, at Mather Air Force Base your staff calculated that each offbase outpatient visit to the Mather hospital would cost CHAMPUS over $100. The fact is that the offbase outpatients using the hospital during fiscal year 1988 made the CHAMPUS expenditures for this group alone approximately $21 million.

The Commission, however, projected that the cost of closing Mather would amount to only $6 million, and the Air Force, making its own evaluation 2 years ago, concluded that one result of closure would be additional CHAMPUS expenditures in that area totaling $48 million. They say $48 million. You say $6 million.

They would seem to have a better basis for their figure, since last year the offbase outpatients alone ran up $21 million.

This figure incidentally, as I say, is an outpatient figure, so I suppose you would have the same explanation for that, that release of the personnel from the Mather hospital would make them available to reduce CHAMPUS costs elsewhere?

Dr. **Bryan**. Yes, sir.

Senator **Wilson**. Dr. Bryan, I would like the documentation of that saving, and I will have to tell you that I think it is going to be a difficult case for you to make because what is perfectly obvious is that you are dumping out onto the local medical economy and therefore increasing CHAMPUS costs at both Mather and at Letterman, a very substantial population.

Senator **Dixon**. I regret that the Senator's time is up, and I thank the distinguished Senator from California.

Senator Gorton is next.

Senator **Gorton**. No further questions, Mr. Chairman.

Senator **Dixon**. I thank the Senator.

Dr. Bryan, you testified previously that the Logistics Management Institute of Glen Echo, MD, is the independent contractor that validates what the Commission did with respect to Chanute and Fort Sheridan; is that right?

Dr. **Bryan**. Part of it, yes. This is the data. I am not saying they validated a particular base. Again, we sampled and tested the data. We did not check every base. That was not necessary.

Senator **Dixon**. May I have from you at the earliest opportunity the validation documentation from the Logistics Management Institute of Glen Echo, MD?

Dr. **Bryan**. Certainly.

Senator **Dixon**. Thank you. My staff will contact you, Dr. Bryan, about that, and I thank you.

Now I want to pursue a moment further what my distinguished colleague from California has pursued to some extent and what the Senator has pursued to some extent, because I find it to be kind of a remarkable attitude that the Commission had about meeting certain tests or criteria at certain bases.

For instance, at Chanute they are presently preparing a weather training school. It will be completed in 2 months and will constitute an additional 90,000 square feet.

Was the Commission aware of this?

Dr. **Bryan**. I believe we were, yes.

Senator **Dixon**. In connection with hospital warehousing, at Chanute an additional 24,000 square feet was under construction for that purpose. Was the Commission aware of that?

Dr. **Bryan**. I have no reason to believe that we were not.

Senator **Dixon**. We have already talked about the additional building for bachelor officers quarters.

Now do I understand the position that the Commission took to be, Dr. Bryan, that it was like a photograph at that point in time or something like that? I thought you used a terminology sort of like we took, and I do not want to mischaracterize what you stated to me. In other words, you considered it to be a contemporaneous question? Is that the point you were making?

Dr. **Bryan**. We tried to be consistent. If there were other considerations that commended another answer, we certainly did not try to ignore them if it was a reasonable answer, especially if it would lead to different conclusions.

But we did have to establish some standard for measurements. You cannot measure one factor on one base at 1985 levels and then go to another base and measure at 1986 levels and so forth. That would not be a reasonable analysis.

Senator **Dixon**. Do you take the positions that these matters which were known to the Commission as being facilities under construction were not to be considered? Do I understand that to be the criteria employed by the Commission?

Dr. **Bryan**. No. The criteria applied by the Commission was one of reasonableness. If in fact it made a difference in the score, we certainly would look at something like that. As the two chairmen said when they testified here, it was not a mechanical process; but it was a methodical process, and we used some generous amount of reasoning in coming up with a reasonable answer.

Senator **Dixon**. Hopefully without being argumentative with you, Dr. Bryan, but only for purposes of the records, if there were additional bachelor officers quarters facilities being constructed so that the standards were then met, and if there were additional hospital facilities being constructed so that the standards were then met and to the extent that one could make a conclusive determination that ultimately and in the short and near term those things would be completed, are those not things ~~to be~~ considered?

Dr. **Bryan**. If the standard remained the same, they would be, yes.

Senator **Dixon**. Regarding how you applied the number system, did certain staff people work together and then when the Commission met the staff and presented you with documentation of this, and then the Commissioners and the staff people sat around and looked at that and said, oh, here is the result?

Dr. **Bryan**. I do not understand the question.

Senator **Dixon**. For instance, when this committee meets our staff has done work for us, and they bring us a work product. Then this committee will often make a determination predicated upon that product. Is that not the case?

Dr. **Bryan**. That is correct.

Senator **Dixon**. I presume it was true in the Commission?

Dr. **Bryan**. Yes, sir.

Senator **Dixon**. These numbers that we are discussing here by whatever terminology you want to apply were conclusions drawn that were then given to the staff and the Commission?

Dr. **Bryan**. No.

Senator **Dixon**. Well, how did we get these numbers? Where did they emanate from? How did they come into play?

Dr. **Bryan**. These numbers here? Those are the numbers you put up. I will distance myself from that chart.

The answer is that we developed the process. It was a process that was approved by the Commission. We briefed them on that process in public hearings during the summer and in private meetings where some of the material was classified.

We also briefed individual Commissioners who had interest in particular areas or particular expertise, and the Commissioners participated in the development of the data and the validation of the data by their travel to some 25 bases in the course of about 2 months.

Senator DIXON. As an example of the conclusions that you draw here, who would bring to your attention matters that we see in the record such as a statement here that construction costs were high at Chanute? Where would that come from?

Dr. BRYAN. That was based upon the standard numbers available to the Defense Department for construction costs, and we tried to employ them in our cost model to make it a reasonable estimate of the regional variations.

Senator DIXON. Would you have a record of that anywhere?

Dr. BRYAN. I am sure I can get you a copy of whatever document we used.

Senator DIXON. You see, that is a particularly rural area of my State. The construction costs there compared to metropolitan areas would be substantially lower. I wonder what kind of documentation led you to that kind of a conclusion.

Dr. BRYAN. The conclusion that we came to was that the construction costs were high because there was a lot of construction to be done, which was the point that the Commission made. There was a deficiency of facilities. If you wanted to keep it open and close another base, you would have had to build an awful lot of facilities to accommodate the more complex missions at other bases in the category.

Senator DIXON. Of course, those construction efforts were going on at the time the Commission met. They are still going on. Those buildings will be completed.

How will you have in any way materially affected that by what you do?

Dr. BRYAN. How will I have affected it?

Senator DIXON. You are indicating that it was the construction that was going on, are you not, in your answer, that brought you to this conclusion? That is the interpretation I get.

Dr. BRYAN. No, the interpretation is there was a lot of construction that had to be done. There was still a shortage even with what was going on and what existed.

Senator DIXON. The BOQ, the hospital and other shortages would continue to exist notwithstanding construction that was then under way?

Dr. BRYAN. Yes, sir. That was the point I made a few minutes ago.

Senator DIXON. According to the information we have in both categories, it would exceed your standards when completed.

Dr. BRYAN. I am sorry, I did not hear the question.

Senator DIXON. I understood you were consulting with your assistant as well, but I said that according to the information we have in both those categories, the standards would be exceeded when those buildings were completed.

Dr. BRYAN. When the buildings were completed, you would find a different standard, however. That is my point about being consistent not only across bases but across time.

If you want to take a measurement at a particular time, you have to take the standard from that time. If you want to take the measurement at a future time, that may be okay, and that is an alternative way of doing it, but you also have to take the standard at that time.

Senator DIXON. You are saying that the construction under way that would solve the standard that you set at that time would be abrogated by the time that the construction was completed, and you would then adopt new standards?

Dr. BRYAN. It is my understanding that the construction that is under way will not solve the problem, will not meet the standard that was established for that base. The standard was not established by the Commission. It was established long before the Commission ever sat by the Air Force, the major command, and the people out at Chanute. That was their judgment, established long before we ever came along.

Senator DIXON. My time has expired.

Senator Wilson.

Senator WILSON. Thank you, Mr. Chairman.

Dr. Bryan, in March 1988, just about a year ago, the Defense Department issued a report entitled "Defense Officer Requirement Study." That identified several military health care deficiencies that would result from the potential closure of different installations, among them Letterman Hospital.

According to this report, the absence of Letterman—that is, the removal of Letterman from those facilities available to provide medical care—would reduce the Army's ability to meet critical wartime surgical specialties and would decrease the number of available mobilization beds and negatively impact the recruitment and retention of doctors as a result of the cancellation of their graduate medical education program between Letterman and the University of California at San Francisco.

Your charter prominently lists "future mission requirements" as a base closure criterion. Why did the Commission fail to consider the Army's need for Letterman as either a crisis mobilization asset or as a facility for recruitment and training of qualified and critically needed special medical and surgical specialties which clearly has been identified by the Defense Department as one of the critical shortcomings and deficiencies in terms of future mission requirements?

Dr. BRYAN. I do not believe the Commission overlooked any of that, Senator. It certainly was a consideration. We spent some time discussing Letterman Hospital in particular, and the Commission felt after consultation with the Defense Department specialists and based on their own expertise that we would not impact in any negative way on either mobilization or other contingency missions in the medical area.

Senator WILSON. Again, I find the statement in the conclusion as rather nonresponsive to the specifics of the question. Let me restate the question.

We are talking about a program that existed between the University of California and this Army hospital. It was a graduate medical education program.

I have spent a great deal of time as chairman and ranking member of the Personnel Subcommittee trying to deal with the medical needs of the military in war and in peace, and what we found is that in terms of primary mission, the wartime mission to deal with casualties, one of the great shortcomings we have is the ability to recruit and to retain those surgical specialties that are critically needed at that time.

One of the ways we have been able to retain some fine surgeons who otherwise would be attracted, as so many are, into the private sector where they can earn far more and, perhaps most significantly, be exposed to far more interesting cases is by seeing to it that at least in some installations we provide them with the same kind of challenge that they might expect in the private sector.

It seems to me that closing down Letterman and abrogating this agreement for graduate medical education with the University of California at San Francisco is going in precisely the opposite direction that Dr. Mayer and others at the Defense Department have urged us to go.

They have made it very clear that is one of the stipulated shortcomings of military medicine not in terms of peace but in terms of the wartime combat mission.

If there is anything you want to add, please do so.

Dr. BRYAN. Let me just respond. I wanted to make sure you were finished with your statement.

Senator WILSON. Yes, I have.

Dr. BRYAN. I can only tell you that the Commission looked at it carefully. They consulted with the medical people in the Defense Department. I personally spoke with Dr. Mayer on the issue, and if he had been terribly upset about the proposal I would have certainly noted it and mentioned it to the Commissioners.

The package that we had was reviewed by the Army. In the case of Letterman it was approved by the Secretary of the Army and approved by the Secretary of Defense.

I can agree there might be legitimate differences of opinion over what is adequate. I should say that the Commission certainly did not intend to eliminate any medical specialty programs. They envision these programs being moved to more adequate facilities, hopefully, if possible, with similar training to accommodate economies of scale.

I realize this is something that cannot happen overnight, but the Commission did not intend to eliminate that medical training. They recognize the importance of it, and the point was made to the staff on many occasions. We certainly did not intend to eliminate it.

Senator WILSON. Let me make a simple request of the staff, Dr. Bryan. Can they explain what would be required, I gather under the recommendation, to move as much of Letterman's load as possible to Oak Knoll; what the impact would be there specifically in terms of modernizing that facility so as to bring it up to acceptable current building codes?

Dr. BRYAN. The Commission did assume in the case of each and every move that it recommended that there be appropriate adjustment at the receiving base, and while I do not have the specifics in front of me, the recommendations would have envisioned and the cost estimate would have included such adjustments as necessary to accommodate the receipt of training programs or patients as necessary.

Senator **Wilson**. I would appreciate your supplying specifics on that, because what is known, I think, to all of us is that Dan Knoll is 20 years old. It does not meet code requirements. My guess is that somewhere around $40 million would be required just to bring it somewhere near code.

Let me ask this. According to the Army, Letterman has over 6,000 expansion beds for mobilization. That would be "strategically necessary to support a war in the Pacific theater." That capacity, I am told, gives the hospital the largest mobilization mission of any of the Army medical centers in the continental United States.

Did the Commission analyze how other Bay Area health care providers would meet that crisis if Letterman were shut down?

Dr. **Bryan**. Let me just say that the Commission's review of capacity was nationwide. I do not think it would be limited to the Bay Area, although that was certainly a consideration.

Let me just back up and say that, of course, the exercise that the Commission was asked to perform was to look for excess capacity, and that truly means excess. It also means that we would not eliminate capacity that would be useful in the event of mobilization or other contingency. So I think it is a good closure from that perspective.

Senator **Wilson**. It is a good closure from that perspective, meaning there is excess capacity there?

Dr. **Bryan**. Excess capacity systemwide, not at a particular base. Again, our analysis was systemwide, and in the case of medical facilities we incorporated availability of facilities outside of a particular service.

Senator **Wilson**. If you had excessive capacity even systemwide, somehow that does not address what the Department of Defense has been very much concerned with in years passed, and that is providing the kind of capacity that would be necessary to support a military operation.

Specifically, in this instance they have assigned to Letterman the responsibility for the largest combat relief mission. Again, with 7,000 expansion beds it has the largest mobilization mission—not capacity but mission—of any of the Army medical centers. It has been assigned that mission.

There is a factor that prompted them to do that, and that is its proximity to the theater.

Dr. **Bryan**. Are you asking me if it is proximate to the theater?

Senator **Wilson**. Yes.

Dr. **Bryan**. That depends upon what the theater is.

Senator **Wilson**. Well, if the theater is the Pacific——

Dr. **Bryan**. I do not again have specific bed capacity in front of me, but the information we had was that it was sufficient in case of contingency or mobilization.

There is no one that we spoke to in the Defense Department or in the Army with respect to the medical facilities that suggested otherwise.

Senator **Wilson**. There is a persistent theme running through these hearings. I must say, Mr. Chairman, that this committee has certainly been told different stories by each of the services in the very recent past with respect to specific facilities and specific missions than seems to have been told to the Commission.

Now I frankly do not understand what the discrepancy is.

Dr. **Bryan**. Senator, may I respond for a second on that point?

Senator **Wilson**. Yes, Dr. Bryan.

Dr. **Bryan**. I think it might be helpful for you to understand the way that the Commission felt about its charge; that is, it did not spend an inordinate amount of time looking at past studies, past conclusions, by anybody in the Army or the Defense Department primarily because the restrictions that were applied, the assumptions that were made that led to certain conclusions on those studies no longer applied. They certainly did not apply to the Commission.

We were asked to close bases, and that was an option that a lot of these studies could not contemplate in their wildest imagination. So the answers that you get from these studies are restricted in some ways. They are not going to come out with the same answer as the Commission for that reason alone.

The fact is that the Army, the Navy and the Air Force people, whether it is an audit agency or a medical command, who may have done a study 2 years ago or even recently were not in the position that the Commission was in to make recommendations for closure, and I think you are going to end up with different answers.

Senator **Wilson**. Dr. Bryan, I would think that you might have a point with respect to some of the studies that have been done, but where the study was specifically predicated upon the closure of the facility, then I think that my question is still valid and remains unanswered.

In the case of the Letterman study, it was predicated upon closure of Letterman and what would happen in the event the base was closed. This was done in March 1988.

My time has expired, Mr. Chairman.

Senator **Dixon**. Thank you, Senator.

Dr. Bryan, I want to talk a little bit about Fort Sheridan. I have been talking about Chanute.

When Commissioner Jim Smith testified before us recently, he commented to us, and I quote, "We didn't take old hit lists and generate our own lists."

Would you agree with that?

Dr. **Bryan**. Yes, sir.

Senator **Dixon**. You did zero in on some bases on previous lists, though, did you not, that were called chestnuts?

Dr. **Bryan**. There was some interest in why various bases were recommended in the past. Unfortunately, the documentation available certainly to me and I think to the rest of the staff was very little in that regard as to why those bases were selected. So I personally advised the Commission that they stay away from them as best they can and make their decisions based on the data we had in front of us and the criteria that we were currently using. They accepted that recommendation.

Senator **Dixon**. In the transcript of November 15 at page 352, I find this quote. "In the Army administration bases category, we will perform a payback analysis of all of what have been referred to as the chestnuts: Fort Sheridan; Fort Monroe."

So that, in fact, the Commission being human, had certain names before it, the chestnuts; is that true? They were there in reality.

Dr. **Bryan**. I am not sure which Commissioner felt which list was a chestnut. I think they all had their own opinions.

Senator **Dixon**. This was a specification of certain chestnuts, and I quote, "Fort Sheridan; Fort Monroe". That is in the transcript.

Dr. **Bryan**. The instruction from the Commission for the staff to go back and do cost analyses on all but, I think, two of the bases in the Army Administration Headquarters category were based upon a recommendation from the staff that the Commission accept all of those bases as being low in military value a priori without any further investigation. They are freestanding single mission bases that the Commission agreed were not necessarily valuable by themselves, and there was a lot of money to be saved in base operating costs by consolidating them with larger bases where you could have multiple missions.

Senator **Dixon**. But to get back to the specific question, there was a discussion about the chestnuts?

Dr. **Bryan**. Yes, sir.

Senator **Dixon**. Now I read from the transcript. The Commissioners and the staff people here are talking about the application of the formula, this formula that we have been talking about that I would assert you erroneously applied to Chanute. I understand that we have a difference of opinion about that. I am sure you understand that, Dr. Bryan. Reasonable men have difference of opinions in a lot of things.

One of the assertions we make is that the formula you applied to Chanute was flawed, but it was a formula in any event. We could agree with one another about that. It was a formula. We may argue about the application of the formula.

Now I want to read from the transcript. This is a discussion that went on in the Commission.

> But you and I are going to have to go and testify, and the question is going to be asked by Aspen, Nunn, and others, and it especially going to be asked by the Senators from California, by Pete Wilson and Alan Cranston. These are the ones that come out of your magic formula, right? Right? Yes, sir.
>
> Now if we add any to that, let's say we add—where's Fort Sheridan, for Christ's sake?

Let the record show I'm reading from the transcripts.

> If we add Fort Sheridan, which everybody says has got to be closed—it's been in every piece I've ever read that Fort Sheridan is doomed now—if we have that, you will have to testify that it failed the formula but that we added it because our gut said that it ought to be added, that there's something about that, it just ought to be there. It flunked our formula.
>
> Our magic formula did not happen to work, but we all know, don't we? And then Senator Dixon and Senator Simon will say what do you mean, you're going to close something in your formula. We are at make or break now in terms of what we can do with the Congress.

In other words, isn't it a fact that the Commission in the end did what it wanted to do? In other words, Chanute was in the formula, and you say it flunked. But we apply certain factual evidence that we have, and we would legitimately argue with that it did not flunk; but I understand reasonable men would argue. But under the formula, Fort Sheridan passed.

Now here is Chanute. "The land is farmland." I am talking about Chanute. "The land is farmland in Illinois. It's not worth hardly anything." Direct quote from the Commission. "It's on the margin here. We're right on the margin on this one."

But then we talk about Fort Sheridan, and we say, quoting from the transcript,

> But you know, admitting all of the benefits for Fort Sheridan, why does it have to be located on land that is worth probably the better part of $2 billion? Do you really need to have that facility on land that's worth $5.84 a square inch? The second question is under anybody's notion of base closings, can you withhold your hand from this facility and explain it?

Chanute's land was too cheap, but Fort Sheridan's was too valuable. What do you say to that?

Dr. BRYAN. From the Commission's perspective, I can only say that they closed or made an effort to close every base in that category if they could get a payback on it with the exception of two. That was what they decided to do, and I think that is reflected somewhere in the record, perhaps not where you are reading but it is reflected somewhere in the record.

They felt that all bases in the Army Administration Headquarters category would be defined automatically as low in military value and asked the staff, with the exception of two bases that they felt were unclosable for cost reasons and it would be a waste of time working on it, to run a cost payback analysis on, to the best of my recollection, every base in the category. I believe if the cost payback had come through, they would have closed every one in the category.

Senator DIXON. I see my distinguished friend from Indiana is here, Senator Coats, and I will yield to him.

Senator COATS. Why, thank you, Mr. Chairman. I have been juggling between two hearings, and I have agreed to cover the other one for our chairman. So I am going to confine myself, Dr. Bryan, to one essential question.

I have been trying for 2 months to get an answer regarding the Jefferson Proving Grounds closing. I have not stated that it absolutely ought to remain open or absolutely ought to be closed. I am simply saying I need to get the facts. The people of the community need to get the facts. Our State needs to get the facts so that we can make a rational decision as to how to proceed.

It involves the question of environmental cleanup. I know that the Commission's basic position is that these costs were not taken into consideration because that cleanup has to be done anyway. We cannot, however, get a handle on what that cost would be, what the timetable would be, and whether or not that is a factor that ought to be taken into consideration.

One thing that concerns me is the fact that the General Accounting Office has said that, and I quote, "Environmental show stoppers have eliminated facilities that have enormous cleanup problems from inclusion in the base closure list".

It appears to us on the surface that if that is the case, that if the Commission did in fact consider situations where the environmental cleanup costs were so significant and had such an impact on the

American taxpayer and on DOD and your budget and so forth, that that was a factor to remove the base from the list, then we are asking the question what is the evaluation of Jefferson Proving Grounds in terms of environmental cleanup and so forth.

Now you can appreciate the fact that over many decades 23 million rounds of ammunition have been fired on Jefferson Proving Grounds. Records were not even maintained as to which rounds were fired, what they contained, where they went, whether they exploded on impact or whatever.

We also know that there is a section where depleted uranium exists.

So the estimates that we have in terms of cleanup vary dramatically all the way up to $14 billion. Obviously with a cost saving of a few million, billions of dollars of cleanup cost have to make you question what the situation is.

Now at the last hearing we had, I asked some of these same questions. Those who were testifying said we do not have that information readily at hand but we will provide it to you. So we submitted written questions.

Specifically regarding the question we submitted on environmental cost, the answer that came back did not tell us anything that we did not already know. I just want to run by that.

We asked the question what information did the Commission seek regarding the environmental and ordnance problems at Jefferson Proving Grounds? Was the Commission aware that there is a 2-square-mile impact area contaminated with depleted uranium? Did the Commission consider large environmental cleanup costs in its decision to keep any base open. Given that cleanup costs must ultimately be borne by the American taxpayer, how reliable are the Commission's cost savings predictions?

The answer that we received says,

> As stated in the Commission's report, the closure of Jefferson Proving Ground will result in significant environmental impact. Closure will require consideration of 26 buildings with a range of herbicides, metals, explosives, PCBs and possible asbestos contamination. Cleanup of these sites is covered by the Defense Environmental Restoration Program. Cleanup is independent of the closure.
>
> A serious ordnance problem also exists. Adverse environmental impacts are not anticipated for the receiving installation as comparable operations are presently performed there.

That is the extent of the answer. Now as you can appreciate, that does not begin to give us the answers to the questions we are seeking. The community wants to know, look, if this thing is closed can we use it? The State wants to know what is our responsibility going to be in cleaning this up? People are asking 23 million rounds, 2 square miles of depleted uranium, what does this mean? What does this mean for groundwater? What does this mean for recreation use of the land? What does this mean for industrial or commerical use of the land? What does this mean for the taxpayer? Is this the kind of thing we can go to DOD? Is DOD appropriately funded to handle these cleanup costs? Can EPA handle these cleanup costs?

They are asking me these questions. I have been working for 2 months trying to get answers so that I can carry them back to the community, and I cannot get them. I guess my frustration is evident here. What do I do? How do I get the answers? What do I say to people when they say, well, GAO says that certain environmental show stoppers were not put on the list and they say if this is not an environmental show stopper, what is?

Dr. BRYAN. I do not personally recall any bases that were not put on the list because of environmental problems.

Again, the Commission's analysis from the very beginning was that sunk costs are sunk costs, and by that I mean the Defense Department and I assume and hope the Congress is committed to cleaning up the environmental problems at all these bases, not just for the benefit of future users but also for the benefit of people who are there now.

From the decisionmaking point of view, it made no sense for the Commission to cite environmental cleanup costs. It would have been double counting. That is why they were not included, and I think that is an important point for everybody who is interested in Jefferson Proving Grounds or any of these other bases to understand.

It is not that the Commission was not concerned. In fact, we had Russell Train as a member of the Commission, and they vere very concerned about environmental issues. The focus of the Commission tended to be more along the lines of receiving bases. There, the environmental impact again was fairly minimal because we were consolidating, and the consolidation at locations where similar functions were already being performed tended to lead the Commission to believe that there was very little in the way of additional environmental impact.

As far as the other questions you asked about the execution of the closure, the execution of the cleanup, how it might be done, what the cost assessments are, that was something you would have to talk to the Defense Department about. The Commission's role was only to make a decision based on the information available.

I think a lot of the information you are talking about is something that is being evaluated by the Defense Department right now in an effort to answer the kind of questions you are asking. I do not have that information, and it is not clear to me that the Defense Department does at this minute. It was not relevant to the Commission's process.

Senator COATS. I understand that, and that has been the stock answer ever since we started here.

I understand that it was not the basis for your decision and that that is the official position. On the other hand, it is a relevant question. It is a question that ought to be addressed. Somebody ought to be looking at it. Somebody ought to be estimating the cost because there is the belief here that once these bases are closed the mitigating factor is that it is available to the community and available to the State and available for other purposes.

We are looking at the situation in southern Indiana that people say is apparently not available for anybody to do anything. We are also getting conflicting information back about whether or not environmental considerations were a factor.

Now one specific incidence is the Rocky Mountain Arsenal. The GAO or somebody seems to indicate that at the Rocky Mountain

Arsenal the environmental problems there were severe enough that it was removed from the list. Is that true?

Dr. BRYAN. No. The problem with the Rocky Mountain Arsenal is there is litigation pending on that, and I do not think it would have been feasible.

Senator COATS. Litigation over?

Dr. BRYAN. Environmental issues, I assume.

Senator COATS. Do I go back home and just tell people to file a suit and then we can take it off the list?

Dr. BRYAN. No. I think when the Commission met to consider all these places, they took into consideration real world problems that were extant at that time.

Senator COATS. Based upon that, why would people in Indiana not want JPG to simply file a suit over environmental questions?

Dr. BRYAN. Well, if there had been a suit at the time it might have made some difference to the Commission. I do not know. I would not pretend to speak for them on a hypothetical situation, but the Commission has made its recommendations, and I would just say that I do not think that pure environmental cleanup costs stopped any particular closure. I do not know of one. It certainly was a major consideration in our debates.

The Commission, as I said, with Russell Train on board went to great lengths to look very carefully at environmental impact. Again, most of the impact was on the receiving bases. In this case it would have been Yuma Proving Grounds.

I can pass your message as to your questions on what is going to happen and when and how much is it going to cost. I know where the environmental people are, and I can pass the message to them. I hope that they can provide a more substantive answer, but I do suspect they are working on it at this time, trying to come up with a calculation.

Senator COATS. I hope so. I need a better answer to my question. I would really appreciate if you and your people would take a look at my question again regarding the environmental cleanup and give us a better answer than what we have. What we have here does not answer the question.

Dr. BRYAN. I would certainly welcome your staff to come down and look through our files on the environmental package concerning JPG if they have further questions. They are certainly welcome to come down, and we will walk them through that if that is helpful.

Senator COATS. That will be helpful. We are getting very frustrated because it has been 2 months now, and I keep going back to the community saying nobody seems to know the answer. So I would appreciate that.

Thank you, Mr. Chairman, for the time.

Senator DIXON. Thank you, Senator.

Dr. Bryan, returning to the formula for a moment, I have two staff people here who have repeatedly talked to your staff people about the formula. They understand the formula. I must tell you that this Senator has a great many things to do, and math was never my best class in high school or college. I am a lawyer by trade, and so I have no scientific background that would cause me to assert that I understand mathematical or other types of analytical formulas.

My staff does understand the formula. They assert to me again in the strongest possible terms that on their full understanding of the formula and their discussions with people on your staff, they believe that Chanute meets the standards of that formula as the bachelor officers quarters, hospitalization and other things when the true facts are known. They have those facts and assert it to be absolutely a true statement that by using the correct data in the Chanute formula Chanute meets the standard.

Now with due respect to you, I understand every person has a different opinion about this, but is it not possible that others of your staff having visited with my staff have information now that shows that we met that criteria as to those particular standards?

Dr. BRYAN. Senator, all I can say is after you questioned the two chairmen a couple of weeks ago, I went back and looked at it again, and the answer does not change. There is no information——

Senator DIXON. The remarkable thing is that in sharing with my staff the views of your staff, we have come to the conclusion that we both understand the formula. The numbers put into the formula are in dispute, and we are of the opinion that our numbers are correct.

Dr. BRYAN. I would have to say that I will speak for my staff, and their answer is the same as mine.

Senator DIXON. I have covered this with you a little bit, but I want to make it very specific again. I have looked at all the transcripts, Dr. Bryan, and examined it all. There is nothing in the transcripts aside from the statements of Commissioners that all data was validated that shows independent validation.

Now I understand you have testified that Logistics Management Institute at Glen Echo, MD, is one of the institutes. I understand that you are going to make available the validation of this data to us. Is that correct?

Dr. BRYAN. Yes, sir. I thought that had been made available already.

Senator DIXON. Well, we do not have it.

Now here is another thing. In the transcripts, the Commission talks about a briefing from Admiral Rowden upon his return from Fort Sheridan. The transcripts, though, do not show the briefing of Admiral Rowden, so I guess my question to you there is did the Commission have closed meetings that were not included in the transcripts?

Dr. BRYAN. No, sir.

Senator DIXON. Anything that transpired should be in the transcripts?

Dr. BRYAN. Anything that transpired in the formal meetings. Obviously there were sidebar conversations and meetings that they may have had. There is no transcript of the Navy subcommittee. That was an informal group put together to ask questions of the Navy, and so they didn't have any formal meetings.

So I would say that I requested a transcriber be available for the hearings for the executive sessions because I felt it was important for the Commission to have a record.

Senator DIXON. Do you remember Admiral Rowden ever appearing before the Commission?

Dr. BRYAN. Admiral Rowden did make a briefing, yes, sir.

Senator DIXON. I am sorry. I was listening to a staff assistant and did not hear your answer. What was your answer?

Dr. BRYAN. He did make a briefing. I do recall a briefing.

Senator DIXON. Well, why is it not in the transcript?

Dr. BRYAN. I do not know that it is not. I would have to go back and check.

Senator DIXON. I would ask you to supply me, if you would be so kind, a transcript of the briefing by Admiral Rowden to the Commission. That is R-o-w-d-e-n?

Dr. BRYAN. Yes, sir.

Senator DIXON. I would appreciate that very much.

Now it troubles me very much, Dr. Bryan, that the Commission's report on an evaluation of the economic impact of closing Chanute reports it as moderate. I have to ask you why you did not conduct a local impact study. I believe that would have revealed that by closing Chanute, Rantoul, the adjacent city to Chanute, will lose half of its 20,000 people, suffer a 20- to 50-percent decline in retail sales, and lose 43 to 65 percent of its school population.

I do not consider that a moderate result. I consider that, as I earlier characterized it, a true American tragedy occurring in this small town in my great State.

Dr. BRYAN. I think the process that we used was to use the standard, available economic data to look at the percentage impact on the community as appropriately defined by the Bureau of the Census and the Department of Commerce. That did lead to a 3-percent impact.

I personally think that is high. I think that might be the total number of people that would be impacted or perhaps a few more than that, but at any one time I do not think you actually get to a 3-percent unemployment increase due to the closure of this particular base in the metropolitan area.

Senator DIXON. You do not think that losing half of the population in a town of 20,000 people, suffering a decline in retail sales of 20 to 50 percent and losing 43 to 65 percent of a school population is a catastrophic result as distinguished from a moderate type of economic impact on a community?

Dr. BRYAN. If you were to take a very limited area just outside of the gate and define that as the economic impact area, you might get numbers like that. If, however, you take the Champaign-Urbana-Rantoul metropolitan area as defined by the Commerce Department, you would find that it is a very small impact.

Now it might not seem that way to——

Senator DIXON. It is no impact at all, probably.

Dr. BRYAN. I would guess very little. With some effort on behalf of the community local leaders—and I understand they are working on transition—there should not be much difficulty at all from an aggregate point of view. Obviously to individuals who are put into a transition situation, that is painful, but on an aggregate basis it is not large.

Senator DIXON. I appreciate your testimony in that regard and understand that everybody has a different view about things of that nature.

The thought occurs to me that when you characterize savings on a thing like Chanute and evaluate it on a dollar basis against the cost of the closing and what is going to happen to the individuals and so forth, there probably are no savings at all. You are going to move all those people somewhere else to train them. The buildings have already been built. It occurs to me that in the end there may very well be an economic loss to the country rather than a gain.

Dr. BRYAN. My only response is that the presumption that the Department and the Congress had was that you needed to close some bases. I think if you look at it from a very narrow perspective, you would never get any bases closed by looking at it that way. It is just not a relevant consideration.

This base closure exercise was recommended by the Defense Department and chartered by the Congress as well, and if it means that you cannot move anybody and you cannot allow any kind of economic impact, you would never close any bases.

I repeat what the Commission said in its report. The economic impact in that particular area is not all that great; moderate at best.

Senator DIXON. Senator Wilson.

Senator WILSON. Thank you, Mr. Chairman.

Dr. Bryan, the Commission's report states that increasing air traffic congestion in the Los Angeles area has reduced the military value of Norton Air Force Base, and I gather that was a significant consideration.

At the same time, the recommendation was for the movement of the three military airlift wing squadrons to March Air Force Base, which is 6 nautical miles away.

That being true, I do not really see how the consideration of the increasing air traffic is very relevant. Can you tell me what importance was given to that factor?

Dr. BRYAN. The Commission's predication was that the number of flights and the number of planes would be reduced by the consolidation of those two cases in that manner, and so in fact it would reduce the number of airplanes and air traffic.

Senator WILSON. Was that the major reason?

Dr. BRYAN. The major reason was that it came up the way it did on the evaluation procedure. The bottom line is the evaluation was done on the basis of the 21 factors, so air space congestion was one of the considerations in terms of what we called mission suitability, which meant maneuver capability.

Senator WILSON. Were all 21 of these factors given equal weight?

Dr. BRYAN. No, sir.

Senator WILSON. Which were given greater weight?

Dr. BRYAN. I do not have the specific numbers in front of me. I would be glad to make it available to your staff.

In the case of a base like Norton, the facilities, the air space, the proximity to mission, the training and so forth would all have been major considerations.

Senator **Wilson**. Did the 21 factors which were applied to all of these bases have a graduated weight, or did they have different weight at each place?

Dr. **Bryan**. Within a particular category we worked with outside consultants and with the relevant services to develop a series of weights that were consistent within the category. This allowed us to have the counsel and expertise of the services involved in this process so that we understood the level of significance of these particular factors.

It was an attempt, and I think a very successful one, by the Commission to come up with some way of including the services in this exercise without letting them drive the train.

So we sat down with the services and developed weights. If the weights that the services suggested were not appropriate, we went back, had them change them, and checked them with outside consultants to see whether they were reasonable.

Senator **Wilson**. Would you supply me with the weight given the factor of relieving congested air space as it relates to the decision on Norton?

Dr. **Bryan**. Yes, sir.

Senator **Wilson**. Also, what weight was given to the consideration that Norton did not offer adequate medical care facilities?

Dr. **Bryan**. Again, I do not have the specific weight in front of me. I would be glad to get it for the record. It probably would have been less than some of the flight considerations.

Senator **Wilson**. I would think so in light of the fact that there are three hospitals within 10 miles and the VA operates one only 3 miles away.

What weight was given to the factor of adequate recreational facilities.

Dr. **Bryan**. I think that the weight for recreational facilities was probably less than some of the operationally oriented considerations.

Senator **Wilson**. At one point as I came back into the room I heard in the questioning by the chairman a discussion of the impact on the local community. What weight was given to that?

Dr. **Bryan**. We had a group of factors called community support, and that was not an emotional or political evaluation but, in fact, an evaluation of the technical facilities outside the gate. That was weighted appropriately for each category that we evaluated.

Senator **Wilson**. What do you mean, the availability of facilities?

Dr. **Bryan**. No. Again, this is off the top of my head and I do not know exactly what weight this might have been, but just as an example in a Navy facility outside the gate there may be certain technical capabilities, working skills of trades, machine shop capability that might be useful in the support of ships in port. That is the kind of support that we looked at.

Senator **Wilson**. I gather from your earlier comment that no weight was given to what you called emotional or political support; that is, the welcome given by the community to the base and the support provided in that respect.

Dr. **Bryan**. We thought about that, Senator. One of our problems was that we did not find a town that did not love its base. So it would have been a wash.

Senator **Wilson**. Was any weight given at what the economic impact was on the community?

Dr. **Bryan**. Yes, sir. We did a calculation.

Senator **Wilson**. That was one of the 21 factors?

Dr. **Bryan**. No, sir. That was part of our Phase 2 evaluation where we looked at cost, environmental considerations and socioeconomic impact. It was not a part of the 21 factors. That was part of the Phase 1 evaluation.

Senator **Wilson**. What weight was given to the impact on the local economy?

Dr. **Bryan**. It was reviewed by the Commission. We did not have a numerical weight, but it was considered by the Commission in its review of bases in general.

Senator **Wilson**. Your report on Norton notes a deficiency in weapons storage facilities as one reason justifying the closure. Again, you may not be able to tell me from memory, but I would like to know what weight was given to this deficiency.

Dr. **Bryan**. Certainly.

Senator **Wilson**. Maybe you can tell me this, though, in terms of that kind of factor. The deficiency or shortfall in being able to house weapons, to store, what is considered a serious deficiency in terms of a percentage?

Dr. **Bryan**. The general rule that we used in calculating this was to take the evaluation that had been worked out between the base, the major command and the Air Force and had previously been agreed to by them, so that the Commission did not start making up its own evaluations on the spur of the moment. It was something that was already on the record for many of these considerations.

Senator **Wilson**. Could you tell me what it is specifically in terms of the weapons inventory at Norton?

Dr. **Bryan**. I can give you a weight for that general factor, yes.

Senator **Wilson**. I would be curious, because from the information that I have according to the Commission's own figures, only a 3-percent shortfall existed in explosives storage and a 4-percent shortfall in overall warehousing of equipment. I would suspect that many of the bases that you chose not to close suffer far worse deficiencies than that.

Dr. **Bryan**. That is a possibility; but again, the overall recommendation of the Commission in this model was based on the 21 factors. So it really depended upon other considerations as well as weapons storage, and it is hard for me to say right off the top exactly what other weights might have had a significant impact on Norton.

Senator **Wilson**. Mr. Chairman, let me ask you something. The hearing today is not the conclusion, I take it?

Senator **Dixon**. The Senator is correct. There will be further hearings. To what extent we will have further hearings with staff of the Commission, we have not yet made that determination.

I might advise my colleague, as he well knows, that both of our political parties have our usual luncheon conferences which will obligate us to leave here by about 12:30 p.m. I am sure Dr. Bryan will be delighted to hear this. So after you, I was going to recognize Senator Wirth and then ask some questions again myself and see how we are going on time.

We expect to have at least two more hearings, may I say to my distinguished friend and colleague from California, and may have more. The drop dead date I am now advised is on days we are in session, so that it will go into May. So I think we will pursue this assiduously on other occasions.

Does that satisfy my colleague?

Senator **Wilson**. Thank you, Mr. Chairman. That is responsive to my question. That is the answer I was hoping for because there is much more that we need to get into. I unfortunately have someone waiting for me in my office, and so I will yield to Senator Wirth.

I would make the observation that I think it is very important that there be some opportunity to have the staff and each of the services present because there does seem to be a gap between the present testimony and that which we have heard in the very recent past.

Senator **Dixon**. I thank my colleague. Staff is here to observe your comments, and I am sure they will bear that in mind in constructing further hearings.

I thank my colleague from California and recognize my distinguished colleague and friend from Colorado.

Senator **Wirth**. Thank you, Mr. Chairman. I appreciate your having this hearing.

Dr. Bryan, I appreciate the work that you all have done.

I have three quick questions. One relates to what one might call "wiggle room". Assuming that we implement the recommendations, that the Congress says yes, let us go ahead, do all of those specific recommendations then have to be cemented; for example, if a base gets closed and the functions are supposed to go to X under your recommendations, could the Army then go to Y, or do they have to implement the recommendations as you all have made them?

Dr. **Bryan**. As I understand the law, the recommendations that were actually written in the Commission's report stand as a part of the package, the all-or-nothing package.

Senator **Wirth**. So once the Congress votes to approve the overall package, the communities that are impacted can then start to plan based upon what is in that package and do not have to think that, well, maybe there might be a little change here or a little change there? Is that right?

Dr. **Bryan**. Yes, sir. I would hope so. As my boss, Chairman Edwards, pointed out, he had that experience at Brookley Air Force Base. They spent 2 years fighting it, and the town was distraught for that whole period. It was a big negative as far as he was concerned.

Senator **Wirth**. That is the issue about which we are concerned. If this happens, how does a community respond? How does it plan? That is the whole point. We want to make sure that in fact this is going to happen the way it says. Some people are going to win, some people are going to lose, but the surety is what I think is now important.

Dr. **Bryan**. I think that is what Congress had in mind when it set it up this way.

Senator **Wirth**. Second, the extent of the Commission's work goes out 5 years; right?

Dr. **Bryan**. The execution of the package takes about 5 years.

Senator **Wirth**. If there were items that might be closed beyond the 5-year period of time, you under the statute cannot address those; is that right?

Dr. **Bryan**. That is correct.

Senator **Wirth**. Now is there any prohibition in this from attempting to save those bases that have missions that go beyond the 5-year period of time? There is certainly no prohibition at all in terms of trying to augment the missions of those bases to strengthen them.

If Secretary Cheney comes in with a further base closing effort or whatever, there is nothing in here that would preclude efforts being made to augment missions of potentially endangered bases that are not addressed in this particular legislation?

Dr. **Bryan**. That is an interesting question, Senator. We had not thought about that particular angle. I really do not know the answer.

Senator **Wirth**. Can you get a written answer to us on that?

Dr. **Bryan**. I could ask the Department.

Senator **Wirth**. Mr. Chairman, could we get a reading on that? That would be helpful.

The third question relates to cleanups. Now, you talked a little bit about the Rocky Mountain Arsenal earlier. Let me just ask you a little more generically about that. The policy of the Department has been that the most polluted bases are the ones that get funding now. I am not sure that you can address this, but let me try anyway. This falls within your area of expertise and jurisdiction. The Department's policy has been that the most polluted bases get priority first in terms of funding; is that correct?

Dr. **Bryan**. I had heard that, but I am not in a position to confirm it.

Senator **Wirth**. I think that that is right. Now if that is correct, and I think, Mr. Chairman, that is correct, and the staff is nodding yes——

Dr. **Bryan**. The worst first policy is employed, and that includes the element of exposure to whatever hazard.

Senator **Wirth**. Now a number of the bases that have been recommended to be closed have some significant environmental problems; is that correct?

Dr. **Bryan**. Yes, sir.

Senator **Wirth**. They are not among the worst bases is that correct?

Dr. **Bryan**. Again, I do not know from my own personal knowledge. Not necessarily.

Senator **Wirth**. I believe that that is the case. Everybody assumes that the worst is Rocky Mountain Arsenal, and that is because of all the problems surrounding it. That is certainly among the first because it is one of the worst.

If bases are closed and those bases are of a lower priority and there is no money to clean them up, what then happens to those bases?

The military cannot turn over those liabilities. It cannot give away those liabilities, so then what happens to those that are caught in this gray area? They are not among the worst first.

There is no money to clean them up. They have been closed. Now what happens to them?

Dr. **Bryan**. The Defense Department has an obligation to care for the remaining environmental problems in perpetuity, even with the transfer of the property. You are right. The Defense Department is obligated, regardless of who owns the property in the future.

As far as the availability of money, and the same thing applies to technology I think, to the extent that neither the money nor the technology is available for a cleanup of a particular site on a base, I do not believe the Commission made any specific recommendation as to how that might be handled. That certainly was not part of their formal charter in execution.

I think it might be useful to consider waiting until the cleanup is available, throwing a fence up around the particularly contaminated areas and disposing of the rest of the property, which would help the services with their account and take advantage of whatever funding or technology is available at some later point to address the severe areas.

Senator **Wirth**. Which would mean that we would close some of the least polluted bases, bases with the least problems, and just put a fence around them, and let those bases then sit until the "worst first" bases get cleaned up.

Now, that might be a long period of time. I do not know what the answer to this is other than the need for more money to clean up. If in fact the Army is right in estimating that there is a $20 billion problem out there in the Army alone, we have nowhere near that. I think there is less than $1 billion in the budget for cleanup. We are going to wait for a long, long period of time before cleaning up the most benign of the environmental problems before that property can be disposed of. Do you see that?

Senator **Wirth**. I understand what you are saying, and my suggestion, my personal view and not that of the Commission, is that there are places that do exist like that where either the money or the technology is not available to clean it up and you will not necessarily have to fence off the whole base but just those areas that are impacted by this type of problem, and you can sell the rest of the property.

I do not think it is an inherent problem in terms of disposing of the property in general.

Then the question becomes can the Government dispose of parts of that base and maintain all the liabilities from the environmental problems of the fenced-off areas.

Dr. **Bryan**. Yes, sir, I believe they could.

Senator **Wirth**. How do you go about making that distinction?

Dr. **Bryan**. I think that would be up to the specialists and people who understand the hazard. I would not pretend to know all the details of the individual bases or even the environmental potential in terms of cleanup.

I do not think that there are spots, as you point out, that are just like that, and I think that prudent economic decisionmaking would suggest that the Defense Department will sell those parts of the base that are sellable and fence off those parts that are still——

Senator **Wirth**. I understand. That is your own opinion. You all did not address that.

It seems to me, Mr. Chairman, we might address this question if we could to the Department of Defense to get an answer to this as to what they would believe.

Senator **Dixon**. I might interrupt my distinguished colleague to say that we will have DOD witnesses at the next hearing, and we can address that very question.

Senator **Wirth**. One final question, Dr. Bryan. Did you look at all at environmental issues when you looked at bases?

Dr. **Bryan**. Yes, sir. We have a very significant study in multiple volumes that were done with the cooperation of the Defense Department to review environmental hazards at individual bases and also to look at the environmental impact of bases that would be receiving units.

Senator **Wirth**. So you have a pretty clear sense of which bases that are targeted for closing have what kinds of environmental problems is that right?

Dr. **Bryan**. Yes, sir. I think we do.

Senator **Wirth**. Great. Thank you very much. I appreciate your being here.

Thank you, Mr. Chairman.

Senator **Dixon**. Thank you, Senator Wirth.

Dr. Bryan, you have been most accommodating, and I appreciate the fact that we are intruding into time that you need to spend on other matters. I assure you that we are going to conclude shortly.

Do you know who retired Maj. Gen. J.D. Moore, M-o-o-r-e is?

Dr. **Bryan**. No, sir. I am sorry, I do not. It does not ring a bell.

Senator **Dixon**. I wanted to ask you some questions on the basis of some things I have from him, and I first want to read this by retired Maj. Gen. J.D. Moore:

> I was the commander of Chanute Technical Training Center from July 1982 to August 1985 and commander of Lowry Technical Training Center in Colorado from August 1985 to November 1986.
>
> One Commission member said that in the final analysis the choice of which technical training center that goes came down to Chanute or Lowry. I am as knowledgeable about those two institutions as anyone and more so than most. I also am quite knowledgeable about the other training centers in the air training command.
>
> As a result, I believe that the Commission's assessment of Chanute was not based on current facts and is gravely flawed.

Now, I would like to go though something with you. He quotes the Commission as follows:

> The Commission recommends Chanute for closure due to reduced mission effectiveness caused by lower quality and limited availability of facilities and excess capacity within the category.

Now that is the finding of the Commission, is it not?

Dr. **Bryan**. Yes, sir. I did not reread it, but I think that is generally the——

Senator **Dixon**. It is a direct quote.

Now here is his comment:

> Not true. As a result of more than $170 million of new construction, rehabilitation and general improvements since 1979, Chanute has some of the newest, most modern and most efficient facilities in the Air Force and particularly among air training commands technical training centers. The quality is exceptionally high, and the facilities are less limited than other similar bases, if at all.

> Excess capacity is a temporary cyclical condition in the technical training business based on particular attrition and so forth.

Now how do you reconcile the view of this general who apparently is very well informed with the finding of the Commission?

Dr. **Bryan**. You said he was the commander of the air training command?

Senator **Dixon**. There and at Lowry, and he says, "I am as knowledgeable about those two institutions"—he refers to Chanute and Lowry—"as anyone. I also am quite knowledgeable about the other training centers in the air training command."

Now I wonder how he would come to a conclusion so directly contrary to the one the Commission finds.

Dr. **Bryan**. I do not know, but I think I know who the gentleman is when you mentioned his command of the Air Training Command at Chanute. He is currently the director of economic development for the village of Rantoul; is that correct?

Senator **Dixon**. No. That is my dear friend, Frank Moore, whom I know very well.

Dr. **Bryan**. Another Moore?

Senator **Dixon**. This guy is in Louisiana now. Excuse me. That was Frank Elliott, not Frank Moore.

Dr. **Bryan**. Again, the transcript of the Commission has been made available to the committee. You have had a chance to read it. We have explained in the report——

Senator **Dixon**. May I interrupt you and give you this from General Moore's comment:

> Commission: "The facilities significantly detract from its mission effectiveness." Even without asking, one sense from this false statement that none of the members of the Commission visited Chanute.

A thing we have all agreed about. No one visited Chanute.

> The quality and availability of the facilities at Chanute directly contribute to its sustained high performance in student production, overall excellence in operation.

And listen to this, and I quote directly:

> And earning of more awards in the last 7 years than any other training center.

Check the record. Here is an assertion by the general that they have received more awards than any of the other ones. Check the record.

Dr. **Bryan**. Let me make just one sidebar comment, that obviously we are going to disagree with the general in his evaluation. I understand that he has an attachment to the base, having served there, but just as another aspect of this thing that I think is important for the people at the base and the village of Rantoul to understand, this was not an evaluation of the people serving on that base. It was not an evaluation of the units. It was not an evaluation of the commander of the base or of the training command. It was not an evaluation of the civilian work force. It was not an evaluation of personnel in general.

Senator **Dixon**. I appreciate what you are saying, Dr. Bryan, but he is talking there about facilities, and before he was talking about reduced mission effectiveness, excess capacity, and so forth: Those are objective considerations, not subjective applications of something where you and I would have different views.

Here is another:

> Commisson: Shortcomings, shortage of buildings for training and administrative purposes, maintenance and warehousing.

His comment:

> Beginning in 1979 a concerted effort was made to upgrade Chanute Air Force Base in every respect. As the third oldest active air installation in the United States, it has a rich heritage and a particularly aesthetic appearance in overall appearance.

And so forth.

> It certainly is one of the most modern and well equipped. Four new large dormitories for enlisted student personnel have been built, the last one at a cost of $11 million. A new $6.25 million firefighting school providing training for all military services as well as Federal civilian employees was built. A new $6.45 million weather training school using the most advanced weather observation and forecasting equipment is very near completion.

And so forth.

In other words, they are addressing shortcomings that you addressed in your Commission finding, I think in an objective way.

Dr. **Bryan**. Again, we may have to agree to disagree on this. I can only tell you that the Commission took a very broad view over space and over time of the mission requirements of that base and other bases in that category and applied the scoring system that you are familiar with. Having looked at that scoring system, they took into consideration other information that they had as experts in their own right and came to a different conclusion.

Senator **Dixon**. If I could interrupt again, let us talk about another objective one. Commission:

> The quality of life is affected by a shortage of family housing units, bachelor housing, recreational amenities, and medical and dental facilities.

His comment:

> Once again the Commission proves that it did not visit Chanute. The members would be embarrassed were they confronted with the very real and visible evidence that their statement is totally fallacious.
>
> Chanute has some of the best family housing units in the Air Force. The newer units are as modern, spacious and comfortable as one could find in many successful civilian neighborhoods.

He goes on to say:

> Better constructed, more solid, equipped with modern kitchens, remodeled bathrooms, improved heating and cooling systems. All have been retrofitted with energy efficient windows, doors and insulation. The housing areas are particularly pleasing in layout and appearance, and there is ample family housing for assigned personnel. Few families must live off base.

He goes on to talk about recreation:

> A new 100 acre recreational park was made with picnic areas, campgrounds, sports field, a large lake stocked with fish. Chanute has an active rod and gun club, an exceptionally pretty golf course, 16 tennis courts, three swimming pools, new base exchange and a new commissary were constructed, clubs were renovated, and there are still auxiliary facilities in constant use. Chanute's hospital is an excellent facility, fully equipped.

And so forth.

All these things, Dr. Bryan, are objective things. They are not subjective things.

Dr. **Bryant**. Again, it has to be taken in the general context of that base relative to others. I do not doubt that all those things are true, and in fact we have discovered a lot of those things. We have discovered, for instance, that the Air Force in general takes very good care of its bases. I do not know where they get the money, but they do a very good job. So I do not doubt that that is true all those things happen.

The question is those things are happening at other bases as well, and it is a relative consideration. The question was not is Chanute a good or bad base. It is a good base, no question about that. The question is how does it compare with other bases given its mission, the type of mission it has, the type of facilities it has and other physical attributes that are relative to the physical structure of the base, its location, et cetera.

Senator DIXON. I would simply say that the statement that I am looking at from retired Maj. Gen. J.D. Moore is very persuasive. I am not going to go into further questions about that because he talks about your finding that this closure will have moderate impact on local employment, and he cites all the statistics.

Just to show you one, "Chanute provides 14 percent of the total revenue for the entire Champaign County." Now you referenced the entire county, and I said facetiously you can make the number really small if you made it the whole world. That is not 3 percent. That is 14 percent of the whole county. Now think of it. That is a county with the University of Illinois, one of the grand institutions. I wish they would have won the NCAA basketball tournament a couple of days ago.

All of this indicates to me that there are some flaws in the reasoning involved in the Commission's decisionmaking process.

Dr. BRYAN. I can only tell you that the Commission stands by its report, and I do as well.

Senator DIXON. I would like the record to show this article which I believe appeared in the Champaign-Urbana news Gazette by retired Maj. Gen. J.D. Moore, major general for the U.S. Air Force. He now lives in Alexandria, LA.

[The information follows:]

HIGH COST OF BASE CLOSING

COMMISSION REPORT FILLED WITH MISTAKES ABOUT CHANUTE

(By Retired Maj. Gen. J.D. Moore)

The military departments have recommended closure of certain bases periodically for many years. However, politics invariably intervened and very few actually have been closed in the last twenty-five years or so. That is unfortunate, because the services typically selected installations that no longer had significant military value and closure would result in substantial savings. But, when those lists got to Congress the turf battles became more important than the common good of the nation.

I had been hoping that Public Law 100-526 would put an end to the purely political obstructions and result in actions that would be beneficial to our country militarily, politically and economically. Once again, I was naive. Whether influenced by politics or afflicted by incompetence, the Commission seriously erred with regard to Chanute.

I was the Commander of Chanute Technical Training Center from July 1982 to August 1985 and Commander of Lowry Technical Training Center from August 1985 to November 1986. I am as knowledgeable about those two installations as anyone—and moreso than most. I also am quite knowledgeable about the other training centers in Air Training Command. As a result I believe that the Commission's assessment of Chanute was not based on current facts and is gravely flawed. The Commission's comments seem to rely on an analysis that could have been accomplished in 1977 or 1978. I will try to explain my rationale for that premise.

Commission: "The Commission recommends Chanute . . . for closure due to reduced missions effectiveness caused by lower quality and limited availability of facilities, and . . . excess capacity within the category."

Comment: Not true! As a result of more than $170 million of new construction, rehabilitation and general improvements since 1979, Chanute has some of the newest, most modern and most efficient facilities in the Air Force and particularly among Air Training Command's technical training centers. The quality is exceptionally high and the facilities are less limited than other similar bases, if at all. Excess capacity is a temporary, cyclical condition in the technical training business based on unpredictable attribution in the active force and degree of success in recruiting replacements. A modicum of excess serves to provide surge capability in case of national emergency.

Commission: "* * * the facilities significantly detract from its mission effectiveness."

Comment: Even without asking, one senses from this false statement that none of the members of the Commission visited Chanute. The quality and availability of the facilities at Chanute directly contribute to its sustained high performance in student production overall excellence of operation and earning of more awards in the last seven years than any other training center. Check the record.

Commission: "Shortcomings * * * shortage of buildings for training and administrative purposes, maintenance and warehousing."

Comment: Beginning in 1979, a concerted effort was made to upgrade Chanute AFB in every respect. As the third oldest active air installation in the United States, it has a rich heritage and a particularly aesthetic appeal in overall appearance. I think that it is today one of the most attractive military bases we have. It certainly is one of the most modern and well equipped. Four new, large dormitories for enlisted student personnel were built—the last one at a cost of $11 million. A new $6.25 million fire fighting school providing training for all military services as well as federal civilian employees was built. A new $6.45 million weather training school using the most advanced weather observation and forecasting equipment is very near completion. A massive expansion of the jet engine maintenance training building was completed to accommodate our most advanced jet engines. The fuels training facility was renovated. An older building was renovated to house the Security Police Squadron and the Base Administration functions.

An older building was renovated for the Safety offices. A former NCO Club was rehabilitated in order to provide better accommodations for Base Contracting, AAFES and Commissary offices. Base Supply offices and the Entomology functions share a new facility. The Precision Measurement Equipment Laboratory was refurbished and upgraded. A new Linen Exchange facility was built. The Services Squadron has a new facility. A new military gas station was constructed. A new munitions storage facility was built. Warehousing was always more than adequate. Administrative facilities, in addition to those already mentioned, range from quite satisfactory to outstanding. Some of the older administrative buildings dating with those of Langley, Maxwell and Barksdale Air Force Bases, to name a few, are actually more utilitarian, spacious, comfortable and appealing than many of the newer structures. We do not seem to make them as large or as substantial as our predecessors did. Additionally, substantial improvements have been made all over the base to storm sewers, streets, roofs, brickwork, water systems and sewer systems. And there is more!

Commission: "The quality of life * * * is affected by a shortage of family housing units, bachelor housing, recreational amenities and medical and dental facilities."

Comment: Once again the Commission proves that it did not visit Chanute. The members would be embarrassed were they confronted with the very real and visible evidence that their statement is totally fallacious. Chanute has some of the best family housing units in the Air Force. The newer units are as modern, spacious and comfortable as one could find in many successful civilian neighborhoods. The older units are even more desirable to some because they are better constructed, more solid and are equipped with modern kitchens, remodeled bathrooms and improved heating and cooling systems. All have been retrofitted with energy efficient windows, doors and insulation. The housing areas are particularly pleasing in layout and appearance. And there is ample family housing for assigned personnel. Few families must reside off base. Bachelor housing was completely renovated and upgraded. Recreational facilities at Chanute are the finest I have seen. A new gymnasium was completed in 1984 just in time to support the ATC, all Air Force and inter-service racquetball tournaments in rapid succession with its eight competition courts. A new Arts and Crafts Center with a superb auto repair section was opened in 1983. A new 100 acre recreational park was made with a large lake stocked with fish, picnic areas, campgrounds and sports fields. Chanute has an active Rod and Gun Club and an exceptionally pretty golf course. There are sixteen tennis courts and three swimming pools. A new Base Exchange and a new Commissary were constructed. The clubs were renovated. And there are still auxiliary facilities in constant use.

Chanute's hospital is an excellent facility, fully equipped for most medical needs. It has sufficient space to be rapidly expanded to almost triple its current bed capacity in time of need. The old dental clinic was more than satisfactory, but there is now a new one. I note that one of the Commission's members was quoted as saying, "I know (Chanute) has a hospital. Lowry only has a clinic. But across the street from Lowry is one of the Army's top hospitals." Right! Almost all of Lowry's medical needs are taken care of by Fitzsimons Army Regional Medical Center, which is about a 15 minute drive from Lowry rather than "* * * just across the street * * *." And Fitzsimons has often been the target for closure due to its age and condition and the fact that there is a new, modern Army hospital at Fort Carson just outside Colorado Springs to the south.

Commission: "This closure will have moderate impact on local employment."

Comment: Sadly, the Commission again demonstrated its lack of firsthand knowledge and reliable information. Chanute's current total annual payroll is about $164.6 million. Local service contracts and procurements add up to about $72 million per year. There are more than 1,200 civilian employees who work on the base and many more who are employed in Rantoul and other nearby communities, because the base is there. Chanute provides 14 percent of the total revenues for the entire Champaign County. Forty-two to Chanute AFB. Closure would result in a population reduction of 75 percent due to loss of assigned personnel and moves of pure civilians who would become unemployed because of failing businesses. Sixty-five percent of Rantoul's elementary school students are from the base. Chanute provides 43 percent of Rantoul's high school students. The Commission should have used the word "devastating" instead of "moderate" in describing the potential impact that can reasonably be expected to Rantoul if Chanute is closed.

Commission: One member of the Commission was quoted as saying, "Chanute was found to have a limited ability to handle any overflow should one of the other bases close."

Comment: In fact, the same may be said of any and all the other technical training bases except Goodfellow AFB at San Angelo, Texas. It could handle no overflow. Surge capacity during times of national emergency has always been a planning factor for the training centers. Chanute planned for nearly triple its peacetime student production on a twenty-four hour a day schedule under a surge requirement. Militarily, that is an essential capability. It is also a fundamental reason to have a slight excess capacity in peacetime. It is more difficult to build and equip an installation for technical training than almost any operational base.

Commission: "* * * Goodfellow AFB, Texas will absorb 25 courses including fire fighting, fire truck operation and maintenance, and fuel inspection training."

Comment: The Commission should be required to specify how, where and at what cost. Goodfellow specializes in intelligence training and little else. It has less in common with the other training centers than they have with each other. And it has much less space for accommodating additional training missions. None of the other training centers have the facilities and space to accept any portion of Chanute's training activities nor can it handle any of their without additional construction.

Had the Commission cited the critical need for a new steam plant at Chanute as the reason for recommending its closure, I would probably have understood. However, I am advised that between $20 million and $27 million has been put up as front money with an independent contractor for the construction of a new plant. I am also informed that the Air Force could incur an additional $40 million penalty, if it breaks the contract. That would amount to approximately the entire MCP for ATC for a whole year!

Based on my experience, I know that Chanute is situated in a much more wholesome environment for training young men and women than Lowry, for example. The community relationships in Champaign County are exceptionally close and especially sincere. In fact, the Mayor refers to Rantoul-Chanute as if it is a hyphenated word.

I am, quite frankly, appalled at the poor quality of the Commission's work insofar as Chanute is concerned. If its recommendation to close Chanute is based on such erroneous information, then its entire report is suspect and open to question. That is disturbing.

The Secretary of Defense accepted and approved the report and forwarded it to the Congress. It is even more alarming that the Secretary was not better informed by his staff. If the Congress accepts the Commission's recommendations without forceful challenge, grave mistakes may be made. That is just plain scary.

I note that some in the Rantoul area are already talking of finding alternate uses for Chanute, if possible. Does that mean they are giving up? I certainly urge them not to acquiesce. Aside from the community's immediate concern for the continued operation of Chanute, the gross inaccuracies in the Commission's report regarding Chanute makes the report worth fighting.

The citizens of Champaign County should join forces, send a team of representatives to Washington to visit all the key players and demand a close inspection of the report and complete substantiation of the information presented therein. As I now understand it, that cannot be done for Chanute. That means the Commission did not subject Chanute to a fresh, detailed analysis. It also means that the Commission did not double-check its information with neutral or reliable sources, as one panelist is reported to have claimed.

There are bases that can be closed for good purpose in Air Training Command and in the other Air Force commands. I do not honestly believe that Chanute is an optimum choice. It is too good a base and serves an essential peacetime need and would be critical in wartime. Some have said bring the troops home from Europe. They have not stopped to determine how or where we could put them. We do not have sufficient active installations to accommodate them.

You folks should be mad and you should get aggressive.

Senator DIXON. May I say, Dr. Bryan, Frank Elliott is a good friend of mine, a former major general who served at Chanute, and he is now as you point out at Rantoul as, I think, administrator for the community there, and I can see how there might be some feeling that because he is so intimately involved he would have different views than that of the Commission.

I think this is a very objective statement. The man lives in Louisiana now and knows a lot about the system.

Will you see to it that that is reproduced in the record?

Let me just close on this, Dr. Bryan, because I know you are anxious to go to lunch, and we have a conference at lunch.

Dr. BRYAN. Mr. Chairman, I have one administrative request, if I might.

Senator DIXON. Yes, of course.

Dr. BRYAN. I have been passed a note. The general counsel of the Department asks that all addresses for the staff that you are requesting appear as a work address.

Senator DIXON. Absolutely. I had already cleared that with my counsel here.

Dr. BRYAN. May the record be changed to reflect that for me as well?

Senator DIXON. Yes, of course. The addresses of all people on staff will be their business addresses and not their private home addresses.

I assure you, Dr. Bryan, that we need that only to see what further testimony might be required to enhance the record here. I thank you for bringing that up.

Let me say to you that at least one Commissioner believed that the Phase 1 process was flawed because it highlighted those bases with lower scores as candidates for closing and in many cases eliminated discussions about others within a category.

To quote the Commissioner from the transcript of December 14 at page 51,

> I think in retrospect there is one aspect of our process that really kind of caught us at the end, and that is the fact that we only analyzed the bases that came up at the bottom of the scale.

Now what this says to me is that Chanute was recommended for closure not only because of inaccurate data, which I have tried to discuss with you today and I think we have discussed it fairly thoroughly, but also because the entire air training category was not thoroughly examined and discussed.

Only one other base in this category was discussed, and that was because the Commission believed money could be saved because the base was located on valuable property. Military value, supposedly the top priority of the Commission, was not an issue in the discussion of this base. I think this is another flaw in the process. The evaluation in this category took place between the staff and the Air Force, not with the Commissioners who were responsible for evaluating bases for closure. The Commissioners were not always part of the loop.

My question is who developed Phase 1 and who approved it?

Dr. BRYAN. As I indicated before, the Phase 1 process was developed by the staff in response to the charter and direction from the Commission. It was briefed in general terms to the Commission over the course of four or five public hearings and one closed session and approved by the Commission in a tentative way. Certainly they always reserve the right to change the answer.

Senator DIXON. May I say this in candor, Dr. Bryan, and with the utmost sincerity to you and your people on staff who I am sure in every case where honorably motivated people. I hope you understand that I feel that way. We all have a job to do here, and sometimes we disagree.

When I opposed this Commission concept, Dr. Bryan, I said we are going to give the responsibility of a duly elected Congress in a free Nation to faceless people who will make decisions that will bind us as a Congress.

Now in the course of all of this morning's discussions, we have talked about the formula. Who did it? Give me a name. We all worked together, all of our faceless staff, to get this formula.

When we talked about Phase 1, as staff we discussed it and we arrived at a decision for Phase 1.

You see, what concerns me there is that nobody is ever accountable for anything. I am accountable whether you agree with me or not. I sense in this individual case we disagree, but whether you agree with me or not or any other Senator or any of the 435 Members of the House, we must account to our constituency for what we do. We have to answer the questions.

At this stage on this day after a long hearing with more to come, the truth is that most of the Commission's findings were based on judgments that have a fundamental impact of major proportions on people in this country. Whether a large or small number of people are affected Dr. Bryan, whatever percentage they are of Illinois—and Rantoul is not a very big percentage—it is people, human beings, who have been impacted by this result, and we do not know how it came about. This truly bothers me.

I was active in the confirmation process of my friend, Mr. Cheney, both in our private hearings and on the floor and elsewhere. When he says we should look at this some more, it is fine to look at it some more but if we are going to do it this way every time, I think the American people have a right ultimately to be concerned about it.

I do not mean that critically of you, Dr. Bryan, you understand. I understand your background, incidentally, of service with a very fine Senator who is of the opposite political persuasion of this Senator but a man I regard highly and consider a friend.

I would like everybody to have to stand up and be counted in this country. That is how I got here. In 40 years of public service, I stood up and was held accountable. Sometimes people disagreed with me.

The decisionmaking process in this instance bothers me. Does it bother you?

Dr. BRYAN. I would make just a couple of comments in that regard. First of all, the Commission's recommendations are just that.

Senator DIXON. I understand.

Dr. BRYAN. They needed to be approved by the Secretary of Defense, and they were. They need to be approved in a way by the Congress, and I understand that process is going forward at least in the House as far as I know. I do not know if the Senate is planning any kind of resolution. So the Senate and the House both have a signoff on this process.

Just in defense of the report, I can say that the House Armed Services Committee voted out the resolution recommending acceptance of our report by 43 to 4, and we are very proud of that record, I think we will have an overwhelming vote in the House on that in a couple of weeks.

As far as turning over complex decisions of commissions, it is a time honored tradition in this country, and in fact, the ICC, the FCC and various State commissions have their start in that kind of environment. They are actually legislative commissions. They are in an economic sense and some in a constitutional sense an extension of the legislature, and they make a lot of decisions that impact on people far greater than this particular Commission, and there is not so much as a signoff by the Congress; by the courts in many cases, but certainly not by the Congress.

So I think when you get to a very technical issue, the complexity of which is attested to by the kind of debates we have had here today and the kind of debates that we have seen for 15 or 20 years, in terms of what a base is worth, I think it is the thing that needs to be done.

In the event that the Defense Department is not trusted to make this kind of decision because some members feel that they have a political answer, the only way to do it may be with a Commission.

So I do not think the Commission process per se really needs to be defended. It is a time honored tradition in this democracy as an extension of the legislative branch.

Thank you.

Senator DIXON. Thank you, Dr. Bryan. I appreciate your spending your time with us this morning. We will send you some written questions. I would appreciate at your earliest convenience without any time limitation on it a response that is responsive to the questions.

Dr. BRYAN. We will do that, sir.

Senator DIXON. Thank you very kindly.

The meeting is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR ALAN J. DIXON

LMI'S VALIDATION INFORMATION

Senator **DIXON**. Please provide validation information from the Logistics Management Institute.

Dr. **BRYAN**. The Commission has already responded through subcommittee staff.

FORT SHERIDAN VISIT

Senator **DIXON**. Did Admiral Rowden brief the Commission with a trip report from Fort Sheridan?

Dr. **BRYAN**. Yes, he briefed several Commissioners privately and provided a summary during the Commission's formal meeting.

QUESTIONS SUBMITTED BY SENATOR TIMOTHY E. WIRTH

CLEAN-UP TIMETABLE FOR CLOSURES

Senator **WIRTH**. What happens to "unclean closures"? Requires "legal reading" of issues relating to timetable impact of DOD policy of "worst first" as it relates to the 1995 done date.

Dr. **BRYAN**. The environmental studies have just begun. Until they are completed, we will not known the extent of the problems, the costs, or which account (the Base Closure Account or the Defense Environmental Restoration Account) will fund the clean-up. The Services have long range programs, required by Sec. 211 of the Super Fund Amendments and Reauthorization Act of 1986, for cleaning up worst-first basis, based upon the risk of human health and environment. Since, by law, these costs will eventually have to be incurred regardless of base realignment and closure actions, they were not included in the payback considerations.

Actual environmental clean-up funding may come from several sources depending on how severe the environmental situation is and how critical the land sale is to the Department's cash flow. If there is a relatively low cleanup cost with respect to land value, it may be highly advantageous for the Department to expend base closure funds to clean the land in order to reap the funds from the land sale. On the other hand, if the environment costs are high, and the land value is low, the Department would fence off the affected area and await funding in accordance with the Environmental Protection Agency's National Priority List.

FUTURE BASE CLOSINGS

Senator **WIRTH**. What is the impact of future (additional) closures on the report's recommendations? Can future strategy needs modify some of the proposed realignments?

Dr. **BRYAN**. If Congress supports the Commission's recommendations, the law will require these actions to be fully carried out. Any additional closures or realignments would probably require further legislation.

QUESTIONS SUBMITTED BY SENATOR PETE WILSON

SAVINGS AT GEORGE AFB

Senator **WILSON**. Provide specific data on the calculations of time/fuel savings for reduced trip from George to training ranges versus number of flying days available at Mountain Home.

Dr. **BRYAN**. The Air Force provided data to the Commission that indicated the distance to training ranges at George Air Force Base was 166 nautical miles. The comparable figure for Mountain Home Air Force Base was 10 nautical miles. Specific calculations of time and fuel savings would vary according to training scenarios. In any scenario, the savings would be considerable. George does have excellent weather, but the Commission found that the weather at Mountain Home was acceptable for training requirements. Specifically, the average percent of the time that the weather was below training minimums for all Tactical Operating Bases was 5.12 percent. George was 0.5 percent and Mountain Home was 2.7 percent.

CHAMPUS COSTS AT LETTERMAN

Senator Wilson. Please provide specific data on CHAMPUS cost comparisons resulting from closing Letterman Army Hospital and Mather AFB. How would the increase of CHAMPUS costs in the local area be offset by cost savings distributed throughout CONUS?

Dr. Bryan. The Commission cost estimate for the closure of the Mather Air Force Base did not project CHAMPUS savings as a result of the closure of the Mather hospital. The Commission estimated a CHAMPUS cost of $6.9 million. The GAO has discovered that the Air Force estimates for retirees' visits to the Mather hospital did not include the retirees' dependents. Adding the number of visits by the retirees' dependents will increase the estimated CHAMPUS costs to $19.2 million, which decreases the estimated annual savings of closing Mather Air Force Base from $68.7 million to $65.9 million. The slight decrease in annual savings caused the estimated payback to change from one to two years on the GAO model.

The Commission estimated a minimal effect on the overall national CHAMPUS system for the closure of Letterman Army Medical Center. Subsequent detailed analysis by the Army estimates that there will be a $3.8 million increase in the nationwide CHAMPUS costs. The essence of this rationale is there are an insufficient number of medical staff to fully satisfy the requirement of CHAMPUS eligible population in the catchment area for almost any Army hospital. Therefore, any movement of medical personnel from one catchment area to another causes corresponding increases and decreases in CHAMPUS costs in respectively the losing and gaining catchment areas. The only major difference being the difference in medical cost in the respective gaining and losing catchment areas.

In the specific case of Letterman Army Medical Center (LAMC) there are several factors which will affect the overall costs. First, the majority of the active duty medical care requirements will depart realignment resulting from the closure of the Presidio. Second, the remaining Army active duty personnel will be able to receive medical care at the following facilities: the Army hospital at Fort Ord, the Navy Hospital in Oakland, Travis Air Force Base, the medical clinic at Oakland Army Base or the medical clinic at Sharpe Army Depot. Finally, approximately 19 percent of the LAMC workload remaining after the move of the active duty personnel, comes from outside the LAMC catchment area. This is workload that will not increase the CHAMPUS cost in the San Francisco area after the closure of LAMC.

Therefore the estimated increase in the CHAMPUS costs in the San Francisco area according to the Defense Department are as follows:

INPATIENT CARE

	Bed days	Cost per bed day	
Retiree	12,291	$906.15	$11,137,490
Retiree's dependents	9,111	525.68	4,789,471

OUTPATIENT CARE

The cost to CHAMPUS is the product of the average cost per visit times the number of visits. $66.71 × (354,661 × 27.83 percent) = $65,548,421.

(Note.—"27.83 percent" is the percent of bed days attributable to Retirees and their dependents.)

This results in a CHAMPUS cost increase of $22,511,381.

The estimated decrease in CHAMPUS cost as a result of the movement of the LAMC medical personnel was determined as follows:

1. The number of CHAMPUS non-availability statements issued for FY88 was multiplied times the length of patient stay to estimate the number of beds occupied by CHAMPUS patients.
2. A hospital/clinic unique estimate of beds occupied per equivalent physician was multiplied times the number of physicians to ascertain if the workload could be determined. If all the workload could not be captured, a prorata share was considered.
3. The estimated savings was computed based on the number of estimated bed times the FY 87 CHAMPUS cost per bed day for that specialty.
4. A similar methodology was used for outpatient recapture. The total estimated savings for both inpatient and outpatient CHAMPUS recapture is $18,687,466.
5. This results in a net increase in CHAMPUS cost of $3,823,915.

This increase will have a negligible effect on the pay back of the Presidio. Cost would have to exceed approximately $400 million before the pay back period would exceed 6 years.

COSTS OF UPGRADING OAKLAND

Senator **Wilson**. What is the impact of costs associated with upgrading the Oakland Naval Hospital (to meet seismic code requirements, etc.) to equip it to meet increased mission?

Dr. **Bryan**. The Army provided the Commission with an estimate of $140 million for seismic and other upgrades for both Letterman Army Medical Center and Oak Knoll Navy Hospital. The costs associated with any potential upgrade of Oak Knoll Navy Hospital were not considered by the Commission and had no impact on any of their decisions.

FACTOR WEIGHTS FOR NORTON

Senator **Wilson**. Provide weights of and list major weighted factors in decision to close Norton AFB, especially congestion, medical recreational facilities, and local impact.

Dr. **Bryan**. A total of thirty-four physical attributes were used in evaluating Norton AFB. These attributes were included under five military value factors—mission suitability, availability of facilities, quality of facilities, quality of life, and community support. The attributes under mission suitability received the highest weights. Medical and dental, recreation, amenities, and community support were individually assigned smaller weights than the mission suitability category. The specific weights, which have been denied to the general public under the Freedom of Information Act, are available to all members of Congress. A copy of those documents showing the weights for Norton Air Force Base was delivered to Senator Wilson's office on April 13, 1989.

QUESTIONS SUBMITTED BY SENATOR DAN COATS

ENVIRONMENTAL CLEAN-UP AT JPG

Senator **Coats**. Please provide data on environmental clean-up for Jefferson Proving Ground. Costs? Timetable? Showstoppers inherent that should have taken JPG off the list?

Dr. **Bryan**. At this time, the only costs available are those that have already been presented by the Commission, $30 million. The Department of the Army is in the process of accurately assessing the environmental situation at Jefferson Proving Ground and has already begun actions to ensure it will satisfy the provisions of the National Environmental Policy Act as required by the Base Closure Act. At this time, a final Environmental Impact Statement is expected to be released in the fourth quarter FY 90. Your comparison of Jefferson Proving Ground to Fort Monroe is not valid. Fort Monroe was considered for closure and rejected on the basis of exceeding the payback period. Environmental costs were not factored in cost calculations.

PREVIOUS RESPONSES

Senator **Coats**. Relook previous answer to previous questions from last hearing on Jefferson Proving Ground.

Dr. **Bryan**. The Commission has requested that the Department of Defense respond on this issue.

[Whereupon, at 12:16 p.m. the hearing was adjourned.]

BASE REALIGNMENT AND CLOSURE

TUESDAY, APRIL 11, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON READINESS,
SUSTAINABILITY AND SUPPORT,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:12 p.m., in room SR-222, Russell Senate Office Building, Senator Alan J. Dixon (chairman of the subcommittee) presiding.

Committee members present: Senators Dixon, Levin, Wirth, Thurmond, and Wilson.

Professional staff members present: Robert E. Bayer and David S. Lyles.

Minority staff members present: George K. Johnson, Jr., Ronald P. Kelly, and George W. Lauffer, professional staff members.

Staff assistant present: Mary J. Kampo.

Committee members' assistants present: Kenneth N. Luongo, assistant to Senator Levin; William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Jefferson B. Seabright, assistant to Senator Wirth; Robert M. Soofer, assistant to Senator Gorton; and Eric H. Thoemmes, assistant to Senator Coats.

OPENING STATEMENT OF SENATOR ALAN J. DIXON, CHAIRMAN

Senator DIXON. The subcommittee will come to order.

The Subcommittee on Readiness, Sustainability and Support meets today to continue hearing testimony on the recommendations of the Defense Secretary's Base Closure and Realignment Commission. Last week this committee heard testimony from the Commission staff and before that the full committee heard testimony from the Commission's co-chairman and from the former Secretary of Defense, Mr. Carlucci, who approved the Commission's recommendations.

I want to begin by saying that Congress' evaluation of the Commission's work was delayed because information concerning the Commission's report was withheld from us. Even today, almost 4 months since the report was submitted, I still have not received all of the information that I have asked for and have received far too much information that has been blacked out. What is under all of that blacked out material really bothers some of us. The lack of timely and complete data from the Commission and the Department of Defense has made it difficult for this subcommittee and this Senator to exercise our oversight responsibilities.

Thus far the testimony has in my view failed in many cases to answer questions about the Commission's report that have been raised by the General Accounting Office, the Congessional Budget Office by Congress and others who are closely examining the Commission's work.

Certainly in the case of Fort Sheridan and Chanute Air Force Base I have not heard or seen compelling evidence for closing either installation. As a matter of fact, accumulating evidence suggests these bases should not have been on the closing list in the first place. Many unanswered questions need to be resolved before Congress allows the Commission's recommendations to be implemented in their entirety.

Indeed, several questions about the Commission's work have been raised and mistakes uncovered. According to the General Accounting Office the data used to evaluate air training command bases in Phase 1 was in many cases inaccurate. The formula into which this data was factored also contain flaws.

The Commission's savings estimates have been questioned, already much less than most observers had expected, the Commission's estimates of savings may have understated real cost in such areas as new construction at consolidation bases, the cost to keep other bases only partially open, and additional cost for CHAMPUS benefits.

Thus far we have not heard assurances that personnel end strength, the principal source of the Commission's savings, will in fact be reduced. Of course, no savings may be achieved if environmental costs are as high as many experts predict.

Many of these bases cannot be disposed of until they are cleaned up, and what will undoubtedly be a long process may well delay or eliminate the gains expected from the closures.

In one of the most important areas of all, we do not yet know what the cost will be to help put communities back on their feet. We do not know what the cost of homeowners' assistance, welfare, unemployment and economic adjustment assistance will be, yet we need to ensure that affected communities are adequately funded during transition.

The Department of Defense has played a vital role throughout this process. Many of the Commission's recommendations are in fact those of the individual services. The services provided the data used by the Commission. They recommended locations where missions could be transferred and the Commission extensively consulted with the services throughout this process.

Clearly, the services were an integral part of the Commission's effort and if the Commission's recommendations are accepted the services have the task of implementing them. Therefore, it is important for the Congress to know if these recommendations can be successfully implemented and how it is going to be done.

The Defense Department has asked for $1 billion over the next 2 years as seed money to begin the closure and alignment process. Congress needs to know specifically how this money is to be spent. How much of this will be used for economic adjustment assistance, how much for environmental cleanup and how much for the construction of new facilities at consolidation bases.

Many questions about this process need to be answered before the Commission's recommendations are accepted by the Congress. We should not close a base because of poor judgment or faulty data, nor should we close a base if the cost of doing so outweighs the benefits. Congress has already made a big mistake by not considering overseas bases for closure. Let us not make another mistake by closing bases that should not be closed.

Today we have the opportunity to hear from the Department of Defense and the military services which played a critical role during the Commission's process. Hopefully these witnesses can explain how the mistakes were made, how they calculate the closure cost and in detail how they intend to implement the Commission's recommendations.

I welcome our distinguished guests from the Department of Defense and I look forward to their comments. Now, ladies and gentlemen from time to time I fear that we may be interrupted this afternoon and so I want to say to the witnesses we anticipate several rollcalls within the next hour or two, depending upon whether other members of the subcommittee come here we may kind of do this on a staggered basis and leave and come back. If that does not occur, I must tell you reluctantly I may have to call for temporary recesses so that this Senator can go and vote and I hope you will forgive me for that.

Senator Thurmond has a prepared statement which shall be submitted for the record at this time.

[The prepared statement of Senator Strom Thurmond follows:]

Senator **Dixon**. Now, in the order that the witnesses will be heard here, I understand Mr. Stone that you will be going first. Thank you, Mr. Stone, and would you be kind enough to talk directly into the mike. Thank you.

Prepared Statement by Senator Strom Thurmond

Mr. Chairman: I join you in welcoming Mr. Stone and the representatives from the military departments.

Mr. Stone, the Commission on Base Realignment and Closure has done an admirable job in identifying the list of bases to be closed or realigned. The Defense Department now faces the difficult task of implementing the Commission's recommendations. You and the Department have my complete support toward that goal. However, I must advise you that in view of the budget restraints, your actions and funding requests will be carefully evaluated. The Department and this Congress must ensure that the savings identified by the Commission are in fact realized and that both the communities and individuals impacted by your decisions get reasonable support.

I wish you the best of luck in this difficult undertaking.

Thank you, Mr. Chairman.

STATEMENT OF HON. ROBERT A. STONE, DEPUTY ASSISTANT SECRETARY OF DEFENSE (INSTALLATIONS), ACCOMPANIED BY MAJ. GEN. CHARLES WILLIAMS, USA, DIRECTOR OF MANAGEMENT, OFFICE OF THE CHIEF OF STAFF; REAR ADM. JAMES DOEBLER, USN, DIRECTOR, SHORE ACTIVITIES DIVISION, OFFICE OF CHIEF OF NAVAL OPERATIONS; AND LT. GEN. JAMES McCARTHY, USAF, DEPUTY CHIEF OF STAFF, PROGRAMS AND RESOURCES, HEADQUARTERS, U.S. AIR FORCE

Mr. **Stone**. Shall I proceed, Mr. Chairman?

Senator DIXON. Thank you, Mr. Stone. We will be delighted to hear from you.

Mr. STONE. My colleagues and I are pleased to be here today to present the Department's 1990 and 1991 requirements associated with Secretary Carlucci's decision to close or realign all the bases recommended by the Defense Secretary's Commission on Base Realignment and Closures. We look forward to working closely with you on this most important matter that will save the taxpayer dollars while improving our Nation's defense.

Mr. Chairman, I would like to assure you that the Department is working earnestly to provide all the information and answer all the questions of Members of Congress. While it has taken longer than we would have liked and obviously longer than the Congress would have liked, we have made available all our Commission files in order to assist the Congress in its oversight responsibilities as we still have some work to do to get answers to literally hundreds of questions we have gotten from interested Members of Congress. But we take seriously the responsibility to provide those answers and we are working hard on it.

Before talking about the actions required to accomplish the closures and realignments, I would like to acknowledge the debt we owe the Commission for the outstanding public service they performed. Under the able leadership of Senator Ribicoff and Congressman Edwards, these dedicated and experienced members of the Commission were called on to accomplish a great task in a short time, while operating independently of the Office of the Secretary of Defense.

I have spoken to the Commissioners and to senior leaders in the military-departments, I have read the Commission's report carefully and I have come away enormously impressed with the quality of their product. Realignment and closure of the 91 bases recommended by the Commission, including 16 major installations, will eventually save the Department, by Commission estimates, $700 million a year and will improve our Nation's defense.

I will now discuss funding. Our budget request for 1990 and 1991 as, submitted by President Reagan, includes $500 million per year for the base closure account established by the Base Closure and Realignment Act. These funds are required to pay the up-front costs—the seed money, as you put it—associated with the recommended closures and realignments. Authorization and appropriation of these funds is essential if the Department is to realize the long-term savings that will result from these closures and realignments.

Under the law, the Department must initiate all the closure actions between January 1990 and September 1991 and complete all the closures by September 1995. In order to meet the statute's requirements to start all the closures during 1990 and 1991, the bulk of the seed money needed to capitalize the account will be incurred in those years.

Out of this account we will pay for construction to prepare receiving installations for increased mission support. We will pay for the cost of relocating people and equipment. At closing bases the account will pay for shutdown and caretaker costs plus the costs associated with reductions in force and early retirement.

The account will pay for homeowners' assistance and it will cover some environmental cleanup activities to meet our environmental responsibilities and it will help communities who are losing a military installation to make the transition as smoothly as possible.

Our budget request also asks for authority to transfer unneeded funds appropriated for other purposes to the base closure account. We really need that transfer authority now, in 1989. We especially need money this year for planning and design of new facilities and for homeowners' assistance. The only way I can see to provide that money this year is to include transfer authority as part of a supplemental appropriation this spring or summer.

We would use this authority, for example, to transfer construction funds no longer needed at bases that are closing into the base closure account to pay for the design costs for new facilities and for homeowners' assistance.

The Department is confident that if our request for $500 million in both 1990 and 1991 is authorized and appropriated and if our request for transfer authority is approved, we will be able to execute the closure actions required by law in the time designated by law and will quickly begin to realize these savings.

Our implementation plans are not final, but my written statement contains our best current estimate of how the overall economics shape during the 1990 through 1994 implementation period. There are charts in the statement which depict in total and by base the expected costs for design and construction of facilities and for other costs, primarily operations and maintenance associated with implementation.

The charts also show the savings we expect to realize during the implementation period through construction avoided, reduced base operating costs, economies of scale and efficiencies achieved from closures and realignments. The overall economics show this is a good deal for the Government and the taxpayers even if you do not consider the value of the land.

As soon as the Department has better estimates of the actions to be taken and costs to be incurred during 1990 and 1991, we will report those in detail to the Congress.

We understand that the issue of base closings encompasses more than funding and facilities. Many people and communities will be affected by these closings. Mitigating the impact and adjusting the closure of a base requires the combined efforts of Federal, State and local governments working in partnership with local community groups and individuals to plan for the reuse of the base so that long-term economic recovery can quickly begin.

The Department is committed to help communities with this planning. Our Office of Economic Adjustment works hand-in-hand with State and local communities to plan for civilian reuse of closed or realigned bases by helping communities develop strategies for business recovery.

The key to successful community recovery is through early joint action. We must ensure that both the communities involved and the Department come out winners. To do so, we must move quickly. In many communities, such actions are already underway.

I am pleased to say the Department has also reached agreement with the Administrator of General Services on delegating to the Secretary of Defense the Administrator's authority to manage and dispose of real property affected by the base closure and realignment decisions. That will help us move ahead with the recovery process.

Another area of universal concern is the environment. We recognize that it is in the national interest to protect the environment. It is in our own interest, because it is our environment too. This is where our military people, their families and our civilian employees live and work. We will take care of our environmental responsibilities.

We will also take care of our employees, both military and civilian. I have already mentioned the homeowners' assistance program. The Department also has the best outplacement program in the Government. We should be able to place in another DOD or some Federal job, almost every employee willing to relocate.

In summary, Mr. Chairman, the Department faces tough budgets for the foreseeable future. We have before us recommendations for base closures and realignments that will reduce DOD operating costs while enhancing our military posture. Implementation of the Commission's recommendation will mean significant changes to our base structure, changes that will not only save taxpayer money but will improve our Nation's defenses. I urge the Congress to act favorably on these recommendations, to appropriate and authorize the $500 million we are requesting and to act on our request for transfer authority.

Mr. Chairman, this completes my prepared statement. I would like, before stopping, to introduce my colleagues here. To your right is Lieutenant General McCarthy, the Deputy Chief of Staff for Programs and Resources, U.S. Air Force. This is Maj. Gen. Charles Williams, Director of Management, Department of the Army, and Rear Adm. James Doebler, Director of Shore Facilities, Planning and Programming, Office of the Chief of Naval Operations. That is a lot of long titles, but I think I got them mostly right.

With that, Mr. Chairman, we are ready to answer your questions.

[The prepared statement of Mr. Stone follows:]

STATEMENT OF

MR. ROBERT A. STONE
DEPUTY ASSISTANT SECRETARY OF DEFENSE
(INSTALLATIONS)

Mr. Chairman and Members of the Committee:

INTRODUCTION

I am pleased to be here today to present the Department's FY1990 and FY1991 requirements associated with Secretary Carlucci's decision to close or realign all the bases recommended by the Defense Secretary's Commission on Base Realignment and Closure. I look forward to working closely with you on this most important matter that will save taxpayer dollars, while improving our nation's defense.

THE COMMISSION

Before I discuss the actions required to accomplish the recommended closures and realignments, I would like to acknowledge the debt of gratitude we owe the Commission for the outstanding public service they performed. Under the most able leadership of Senator Ribicoff and Congressman Edwards, these dedicated and experienced members of the Commission were called on to accomplish a gargantuan task in a short period of time, while operating independently of the Office of the Secretary of Defense. I have spoken to the Commissioners and to senior leaders in the Military

Departments, I have read the Commission's report carefully, and I have come away enormously impressed with the quality of their product.

Realignment and closure of the 91 bases recommended by the Commission, including 16 major installations, will eventually save the Department, by Commission estimates, $700 million dollars annually. This will reduce the Department's 20 billion dollar annual base operation expenditures by about 3.5 percent.

While it has taken us longer than the Department or the Congress would have liked, we have recently made available all the Commission files in order to assist the Congress in its oversight responsibilities.

FUNDING BASE CLOSURES

There is an old adage that "it takes money to make money". For base closures, it takes money to save money. The DoD budget request for FY1990 and FY1991 includes $500 million per year for the Base Closure Account established by the Base Closure and Realignment Act (P.L. 100-526). These funds are required to pay the upfront costs associated with the recommended closures and realignments. Authorization and appropriation of these funds is essential for implementation to ensure the Department realizes the long-term steady-state savings that will result from these closings and realignments. The funds are needed to "prime the pump", as Jack Edwards put it.

Under the Base Closure and Realignment Act, the Department must initiate all the closure actions between January 1990, and September 1991 -- and complete all the closures no later than September 30, 1995. In order to meet the statute's requirement to initiate all the closure actions during FY1990 and FY1991, the bulk of the upfront costs needed to capitalize the Base Closure Account will be incurred in these years. Out of this account we will pay for construction to prepare receiving installations for increased mission and mission support. Out of this account we will pay for the costs of relocating personnel and equipment. At closing bases, the account will pay for shutdown and caretaker costs, plus the costs associated with reductions-in-force and early retirements. The Account will also cover the Homeowners Assistance Program, in order to minimize the impact on affected personnel; some environmental clean-up activities, to meet our environmental responsibilities; and assistance to communities who are losing a military installation, to make the transition as smooth as possible.

The Department's current FY1990 and FY1991 budget request also asked for authority during implementation to transfer unneeded funds appropriated for other purposes to the Base Closure Account. But we really need that authority now, in FY1989. We need money now for environmental studies, for planning and design of new facilities, and for homeowners assistance. The only way I can see to do that is to include transfer authority as part of a supplemental appropriation this spring or summer. We would use this authority, for example, to transfer MILCON funds no longer needed at bases that are closing into the Base Closure Account to pay for the above costs.

The Department is confident that if our request for $500 million in both FY1990 and FY1991 is authorized and appropriated, and our request for transfer authority is approved, we will be able to execute the closure actions in the time designated by law, and will quickly begin to realize savings.

EXPECTED BASE CLOSURE COSTS AND SAVINGS

Our plans are not final, but here is how the overall economics shape up during the FY1990 through FY1994 implementation period for the Commission's recommended closures and realignments. The chart below depicts in total the expected costs for design and construction of facilities and other costs, primarily in operations and maintenance, associated with implementation. The chart also shows the savings we expect to realize during the implementation period through construction avoided, reduced base operating costs, economies of scale, and efficiencies achieved from base closures and realignments. The overall economics of the recommended base closures and realignments show that this is a good deal for the government and the taxpayers even if you do not consider the value of land.

The figures below are from the Commission's cost estimates with the exception of the Air Force construction costs. The Air Force has been able to accomplish initial local site surveys to develop schedules for implementation that affect phasing of construction costs. The Navy has not completed their initial planning, but it looks like they will be able to execute their closures and realignments earlier than the Commission envisioned.

The Army, with many more moves to plan for, is currently conducting initial planning and implementation is on schedule. As soon as the Department has better estimates of the actions to be taken and costs to be incurred during FY1990 and FY1991, we will report those to the Congress.

SUMMARY

BASE-CLOSURES AND REALIGNMENTS

ESTIMATED COSTS AND SAVINGS

DURING FY 1990 - 1994 IMPLEMENTATION PERIOD

($ MILLIONS)

IMPLEMENTATION COSTS:	
CONSTRUCTION	$1,806
O&M, MILPERS, ETC.	$1,280
TOTAL COSTS	$3,086
SAVINGS DURING IMPLEMENTATION:	
CONSTRUCTION	$390
O&M, MILPERS, ETC.	$2,830
TOTAL SAVINGS	$3,220
LAND VALUE	$1,388

The following three charts contain a more detailed breakout of the above costs and savings. They depict the costs and savings by fiscal year, by Service and by base as well as the overall net costs and savings by base.

We do not have detailed cost estimates for homeowners assistance or for environmental clean-up. Local real estate appraisals are required on a case by case basis before we can fully estimate homeowners assistance costs. However, for FY1989 it looks like we will need about $5 million. Environmental studies have just begun. Until they are complete we will not

ESTIMATED IMPLEMENTATION COSTS

4/6/89

BASE CLOSURE OR REALIGNMENT ACTION	CONSTRUCTION ($M)				O&M, MILPERS, ETC. ($M)			
	FY 90	FY 91	FY 92-94	TOTAL	FY 90	FY 91	FY 92-94	TOTAL
ARMY:								
FT DIX	160	0	30	190	45	32	105	182
FT DOUGLAS	1	0	0	1	5	2	5	12
FT SHERIDAN	2	24	0	26	5	18	18	41
PRESIDIO S.F.	108	0	0	108	49	3	12	64
FT MEADE Et Al	19	91	0	110	56	78	56	190
HAMILTON AAF	31	0	0	31	0	0	0	0
PUEBLO	10	3	0	13	12	12	1	25
UMATILLA	2	8	0	10	9	10	0	19
KAPALAMA	17	0	0	17	0	0	0	0
LEXINGTON	3	16	16	35	40	42	44	126
AMTL LAB	2	10	5	17	17	17	22	56
JEFFERSON PG	4	20	20	44	19	25	25	69
CAMERON STATION	10	97	0	107	1	18	10	29
ALL OTHER	2	0	0	2	16	18	0	34
TOTAL ARMY	371	269	71	711	274	275	298	847
NAVY:								
ROOKLYN	7	4	29	40	2	2	8	12
SAND POINT	17	8	62	87	1	1	3	5
HUNTERS POINT	42	42	0	84	7	7	14	28
LAKE CHARLES	12	2	0	14	0	0	0	0
GALVESTON	21	3	0	24	0	0	0	0
COCONUT GROVE	0	0	0	0	0	0	0	0
TOTAL NAVY	99	59	91	249	10	10	25	45
AIR FORCE:								
NORTON AFB	92	145	147	384	6	6	58	70
GEORGE AFB	41	36	28	105	12	5	86	103
MATHER AFB	48	74	33	155	9	8	58	75
PEASE AFB	0	0	0	0	26	9	20	55
CHANUTE AFB	80	122	0	202	7	13	67	87
TOTAL AF	261	377	208	846	60	41	289	390
GRAND TOTAL	731	705	370	1,806	344	326	612	1,282

NOTE: Costs above represent construction at receiving bases and implementation costs necessary to effect the closure or realignment of the bases above.

NOTE: The above costs are in FY 1988 dollars. The Commission's press release used net present values, taking into account 3% inflation and a 10% discount rate.

ESTIMATED SAVINGS DURING IMPLEMENTATION

4/6/89

BASE CLOSURE OR REALIGNMENT ACTION	CONSTRUCTION ($M)				O&M, MILPERS, ETC. ($M)			
	FY 90	FY 91	FY 92-94	TOTAL	FY 90	FY 91	FY 92-94	TOTAL
ARMY:								
FT DIX	6	0	0	6	31	39	312	382
FT DOUGLAS	0	0	0	0	0	2	5	7
FT SHERIDAN	0	0	0	0	0	28	133	161
PRESIDIO S.F.	15	0	12	27	35	35	224	294
FT MEADE Et Al	17	3	1	21	7	34	99	140
HAMILTON AAF	0	0	0	0	0	0	0	0
PUEBLO	0	0	0	0	0	0	36	36
UMATILLA	0	0	0	0	0	0	19	19
KAPALAMA	0	0	0	0	0	0	0	0
LEXINGTON	0	0	0	0	38	38	52	128
AMTL LAB	0	15	16	31	20	20	34	74
JEFFERSON PG	0	0	0	0	21	21	34	76
CAMERON STATION	0	0	0	0	2	10	48	60
ALL OTHER	0	0	0	0	16	16	45	77
TOTAL ARMY	38	18	29	85	170	243	1,041	1,454
NAVY:								
BROOKLYN	0	0	0	0	3	3	14	20
SAND POINT	0	0	0	0	3	3	13	19
HUNTERS POINT	0	0	85	85	15	15	38	68
LAKE CHARLES	18	0	0	18	0	0	3	3
GALVESTON	33	0	0	33	0	0	5	5
COCONUT GROVE	0	0	0	0	0	0	0	0
TOTAL NAVY	51	0	85	136	21	21	73	115
AIR FORCE:								
NORTON AFB	0	12	52	64	0	1	194	195
GEORGE AFB	0	5	36	41	1	1	201	203
MATHER AFB	0	2	6	8	0	0	195	195
PEASE AFB	0	0	26	26	93	87	298	478
CHANUTE AFB	3	0	27	30	0	2	189	191
TOTAL AF	3	19	147	169	94	91	1,077	1,262
GRAND TOTAL	92	37	261	390	285	355	2,191	2,831

NOTE: The above savings are in FY 1988 dollars. The Commission's press release used net present values, taking into account 3% inflation and a 10% discount rate.

ESTIMATED BASE CLOSURE AND REALIGNMENT NET COSTS AND SAVINGS
4/6/89

BASE CLOSURE OR REALIGNMENT ACTION	NET COSTS AND (SAVINGS) ($M)*				LAND VALUE
	FY 90	FY 91	FY 92-94	TOTAL	FY 90-94
ARMY:					
FT DIX	168	(7)	(177)	(16)	0
FT DOUGLAS	6	0	0	6	6
FT SHERIDAN	7	14	(115)	(94)	55
PRESIDIO S.F.	107	(32)	(224)	(149)	555
FT MEADE Et Al	51	132	(44)	139	199
HAMILTON AAF	31	0	0	31	44
PUEBLO	22	15	(35)	2	0
UMATILLA	11	18	(19)	10	0
KAPALAMA	17	0	0	17	28
LEXINGTON	5	20	8	33	6
AMTL LAB	(1)	(8)	(23)	(32)	12
JEFFERSON PG	2	24	11	37	25
CAMERON STATION	9	105	(38)	76	60
ALL OTHER	2	2	(45)	(41)	92
TOTAL ARMY	437	283	(701)	19	1,082
NAVY:					
BROOKLYN	6	3	23	32	57
SAND POINT	15	6	52	73	60
HUNTERS POINT	34	34	(109)	(41)	0
LAKE CHARLES	(6)	2	(3)	(7)	0
GALVESTON	(12)	3	(5)	(14)	0
COCONUT GROVE	0	0	0	0	14
TOTAL NAVY	37	48	(42)	43	131
AIR FORCE:					
NORTON AFB	98	138	(41)	195	60
GEORGE AFB	52	35	(123)	(36)	3
MATHER AFB	57	80	(110)	27	47
PEASE AFB	(67)	(78)	(304)	(449)	64
CHANUTE AFB	84	133	(149)	68	1
TOTAL AF	224	308	(727)	(195)	175
GRAND TOTAL	698	639	(1,470)	(133)	1,388

* Excludes land value

NOTE: The above costs and savings are in FY 1988 dollars.
The Commission's press release used net present values, taking into account 5% inflation and a 10% discount rate.

know the extent of the problems, the costs, or which account (the Base Closure Account or the Defense Environmental Restoration Account) will fund the clean-up. It is not our intention to change policy for use of the Defense Environmental Restoration Account. Once we know the extent of the problems, we can determine whether the restoration account will fund the restoration. The Commission, using information available within the Department but without the benefit of local site surveys, did not find significant environmental clean-up problems or costs in most instances.

Finally, it is difficult to estimate the needs for economic adjustment assistance. Communities are calling for assistance to help soften the economic impact, and the Base Closure Account can be used to cover these kinds of costs. We can not estimate yet what these costs will be. For community planning assistance, it looks like we will need about $2 million in FY 1989.

EASING THE IMPACT

We are fully aware that the issue of base closings encompasses more than funding and facilities. Many people and communities will be affected by these closings. Mitigating the impact and adjusting to closure of a base depends on the combined efforts of the Federal, state, and local Governments working in partnership with local community groups and individuals to plan for the re-use of the base, so that long-term economic recovery can quickly begin.

The Department is committed to assist communities with this planning. The Department's Office of Economic Adjustment works hand-in-hand with state and local communities to plan for civilian re-use of closed or realigned bases by helping communities develop strategies for business recovery. However, the key to successful community recovery is through early joint action. We must ensure that both the communities involved and the Department come out winners. To do so, we must move quickly. In several communities, such actions are already underway.

Another area of universal concern is the environment. We recognize that it is in the national interest to protect the environment; it is in our own interest because it's our environment too. This is where our military people, their families, and civilian employees live and work. We will take care of our environmental responsibilities.

We will also take care of our employees, both military and civilian. I have already mentioned the Homeowners Assistance Program. The Department also has the best outplacement program in the Government. We should be able to place, in another DoD or Federal job, almost every employee willing to relocate.

PLANNING

The keys to implementing all the actions necessitated by these closures and realignments are upfront funding and extensive planning.

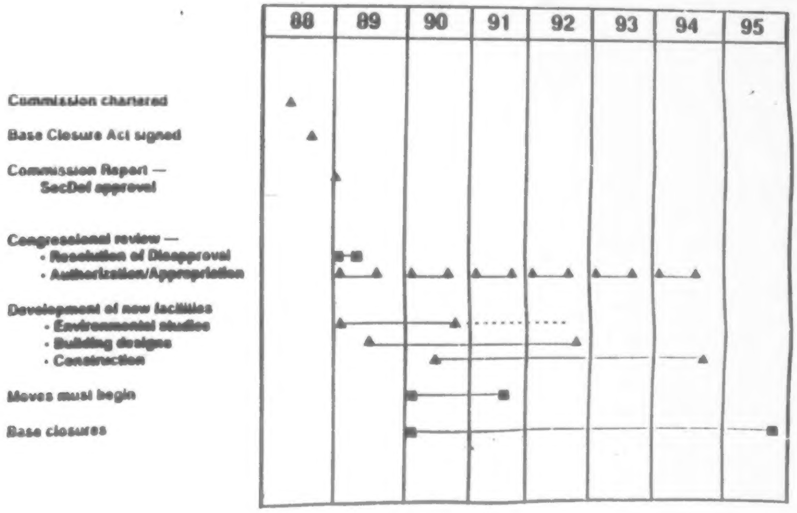
Planning will ensure that the myriad of considerations regarding community development, environmental protection, construction, relocation of personnel, operations and force structure planning, and like issues will be addressed in a comprehensive manner, thereby allowing closures to begin as quickly as possible. Each military service is taking the lead in planning for the closures of their bases.

No advance notice was given the military services regarding the Commission's recommendations. While realignment options were submitted to the Commission for evaluation, detailed planning to implement the final recommendations commenced with the Secretary's decision in January. Such activities as environmental studies, facilities design, real estate studies, identifying funding requirements, and long-range planning are all underway.

Once plans have been formulated and approved, the military services will initiate the realignments and closures in a manner that will ensure compliance with the time tables established in Public Law 100-526. The chart below depicts the base closure timeline as we see it today.

Base Closure Timeline

(Calendar Year)



SUMMARY

The Department faces tough budgets for the foreseeable future. We have before us today recommendations for base closures and realignments that will reduce DoD costs while enhancing our military posture. Implementation of the Commission's recommendations will mean significant changes to our base structure -- changes that will not only save taxpayer dollars but also improve our nation's defense. I urge the Congress to act favorably on these recommendations.

I also urge the Congress to act favorably on our request for the one billion dollars needed to capitalize the Base Closure Account and to act quickly on our request for transfer authority.

Thank you Mr. Chairman. I am now ready for your questions.

Senator DIXON. Well, Mr. Stone, I want to thank you for your very fine presentation and I want to thank Generals McCarthy and Williams and Admiral Doebler for accommodating us by being here today. I think I will start by asking you some questions.

Now frankly, Mr. Stone, the number of questions I have are so lengthy that I may in time abandon that and send you written questions. I appreciate the fact that you are already burdened, as you have said in your testimony, by several hundred questions, but to the extent that in a reasonable period of time you could accommodate us, we would appreciate that very much. Then I want to ask some questions of the Generals and of the Admiral.

Because I say to you that there will be, of course, obviously some legislative responses here both in this committee and in the Defense Appropriations Subcommittee and the Appropriations Committee on a selective basis to what has been done and we need this work product to do that.

Mr. STONE. We will get it as quickly as we possibly can, Mr. Chairman.

Senator DIXON. I thank you, and I am delighted to see my colleague Senator Levin here.

I would like to ask you, Mr. Stone, to explain how the Defense Department was structured to respond to the Base Commission's request. Did it form a joint task force, or teams from each service selected to work with the Commission's staff? How did you do that?

Mr. STONE. Are you talking about before the Commission's report was issued, Mr. Chairman?

Senator DIXON. Yes.

Mr. STONE. While the Commission was getting started and throughout their operations, the Office of the Secretary of Defense provided only logistic support for the Commission. That is, we processed the personnel paperwork and met the payroll and made sure they had typewriters and paper clips. The military departments each nominated one officer to serve as part of the committee staff and then in one fashion or another they all formed task forces within military department headquarters to provide the data and answer the Commission's questions.

Senator DIXON. Okay. Now, did information bound for the Commission have to be approved by some higher authority and if so, who was it?

Mr. STONE. The military departments communicated directly with the Commission and were neither asked nor encouraged to check with the Office of the Secretary of Defense.

Senator DIXON. Former Defense Secretary Carlucci took only 5 days, Mr. Stone, to review the reports before he approved it with the support of the Joint Chiefs. I want to know how such a comprehensive plan could be reviewed in 5 days if the Department, according to several departmental sources, did not know the final results beforehand.

Mr. STONE. Mr. Chairman, I think I was probably the first person in the Department, in the Office of the Secretary of Defense, to see the list of bases and I saw it in the afternoon before it became public. On the other hand, the military departments had been working closely with the Commission routinely, responding to questions and providing more information and I think it is fair to say that they were generally aware of the Commission's thinking as it formed. There was no effort on either side to keep the other one in the dark.

So on December 29 when the list of bases came out, the military departments had already had a couple of weeks to decide whether they were comfortable with the recommendations or not and so by the time it got to Secretary Carlucci it did not take the Secretary of the Army, or the Secretary of the Navy, or the Secretary of the Air Force very long to tell him that they were comfortable with the report and if they were comfortable with the report then Secretary Carlucci was comfortable with it.

Senator DIXON. Mr. Stone, the Congressional Budget Office in testifying about the base closing process before the House Armed Services Committee recommended a monitoring system to evaluate the implementation process. Will you have such a system and if you find that the 6 year pay-back cannot be met, or mission transfers cannot be accomplished, or there are other problems, will you continue to close or realign a base?

Mr. STONE. We certainly will monitor the process, Mr. Chairman. If there are problems which prevent us from implementing, I think we would want to consult rather quickly with the Congress because of the law that requires us to do so. If we run into a problem, we are not going to go blindly ahead; we would keep the Congress informed and try and do what is sensible.

Senator DIXON. As you know, most of the savings to be obtained from this process involve end strength reductions. Will these end strength reductions be realized? We have heard testimony that these positions may be shifted elsewhere, frankly. Does this not violate the conditions upon which this legislation was predicated?

Mr. STONE. I do not think it violates the conditions on which the legislation was predicated. The reason that Secretary Carlucci set up the Commission and I think the reason Congress approved it, was based on the idea that we were spending money that we should not be spending. We were spending money in the Defense budget that was not contributing effectively to the Nation's defenses. If we do what the Commission recommended and what the Secretary agreed to do, what we will do is stop spending money on things that do not contribute effectively to the defense.

Now, it is up to the administration and the Congress whether they want to start spending that money on something else, but at least if we close a base and dispose of the property, we will no longer have to guard the base. We will no longer have to have a personnel office at the base. We will no longer have to operate dining facilities and physical fitness centers at the base and that is money we can just stop spending.

This represents a real benefit to the Department and to the taxpayers. We can stop spending that money on things that do not contribute to defense and either reduce the defense budget or start spending it on things that do contribute.

Senator DIXON. I wonder whether you are saying that there will not be any end strength change. Is that implied in your response?

Mr. STONE. Mr. Chairman, my guess just from reading the newspapers is that there will be substantial end strength reductions in the Defense Department over the next few years. I think there is a potential for reductions of about 20,000, which we could mentally allocate to base closures, but if the Department has to take big budget reductions this will certainly make it much easier for us to do so and I would guess there will be personnel reductions of a magnitude greater than 20,000.

Senator DIXON. Mr. Stone, I want to ask you some questions about Fort Sheridan and Chanute, but before I do that I would yield to my distinguished colleague from Colorado.

Senator Wirth, do you have questions?

Senator WIRTH. Yes. Thank you, Mr. Chairman. I have a couple of questions.

First of all, if the Congress votes to approve the Commission, do the recommendations of the Commission then become binding? The military cannot change its mind?

Mr. STONE. That is correct, Senator Wirth.

Senator WIRTH. If, for example, the Army, General Williams, were to decide that instead of going to X site which the Commission said it would go it ought to go to Y site, it would still have to go to X; is that correct?

General WILLIAMS. It will go where the Commission recommended, sir. The Army is not entertaining any deviations to the Commission's report.

Senator WIRTH. None whatsoever? You have said that in writing and so on?

General WILLIAMS. Yes, sir.

Senator WIRTH. A second question relates to environmental cleanup cost which we have begun to talk about. It is my understanding that within the Department of Defense there is a "worst first" priority for cleanup.

Do you all know about that?

Mr. STONE. Yes, Senator Wirth. That is the policy that governs expenditures from our environmental restoration fund. It is the Defense version of Superfund.

Senator WIRTH. How much money is in that for this coming year; do you know?

Mr. STONE. About $500 million.

Senator WIRTH. Okay, go ahead.

Mr. STONE. The expenditures from that fund are for cleaning up the results of past environmental missteps. Our own rule, our own policy, is to clean up the worst first.

Now related to the Base Closure Commission, if we want to dispose of some property, we would have to clean it up first. If the situation is not threatening enough to require our environmental restoration fund, we would necessarily pay for the cost from the base closure account.

Senator WIRTH. What is the estimate of those costs?

Mr. STONE. I do not have a current estimate of the cost of all the cleanup.

Senator WIRTH. How much is the base closure account?

Mr. STONE. Right now we have an account with no money. We are asking for an appropriation of $500 million in 1990 and $500 million in 1991 and, importantly, the authority to transfer money from other accounts into that account.

Senator **Wirth**. How much is the environmental cost associated with the closed bases going to be?

Mr. **Stone**. The best estimate I have seen to date, which I think is really rough, is several hundred million dollars.

Senator **Wirth**. You have requested only a total of $1 billion. You have only requested $1 billion for the total base closure account. You told us the environmental cost is going to be several hundred million dollars. That means that what you estimate to be the remaining cost of base closing is going to be significantly less than the amount that you have requested; is that right?

Mr. **Stone**. We estimate that we will spend about $3 billion over the next 5 years on these bases that are on actions related to the closures and realignments.

Senator **Wirth**. $3 billion to do what? Is this to clean up or move out or shut down?

Mr. **Stone**. This is to clean up, to move out, to build replacement facilities at bases that are gaining activities, to pay to move people, to do all the things that I enumerated in my statement.

Over that 5 years we will also realize reductions in costs of about $3 billion: construction which we no longer have to do because the base is closed; gates that we no longer have to guard because the gates are closed.

Now we are running in the red the first couple of years and in the black the next couple of years, but our cost of implementation is going to be a lot more than $1 billion. We expect to make up that addition through some of the savings and by transferring money.

Senator **Dixon**. May I make a statement for the record, Mr. Stone, if my colleague would yield?

This is the General Accounting Office report that we will have in the record later, but for the purposes of this discussion now, "Since publication of the Commission's report, DOD and the services have been working to more accurately specify the environmental impact and estimate cost for environmental cleanup of bases recommended for realignment or closure.

Recently the services provided the following environmental cleanup cost estimates for the bases totaling about $674 million to the Office of the Deputy Assistant Secretary of Defense for Environment; about $10 million for the Navy; $115.15 million for the Air Force; and $548.5 million for the Army.

The Army's estimate does not include all of the costs associated with cleaning up the Army's Alabama ammunition plant and Jefferson Proving Ground to unrestricted use. If this were done, these Army estimates would be $814.3 million, for a total of $940 million, almost $1 billion."

I only wanted that in the record in view of the exchange between you and the Senator from Colorado.

Mr. **Stone**. Thank you, Mr. Chairman. We think about $40 million of the Air Force estimate of $115 million will be eligible for funding from our environmental restoration account. You can come up with some very high estimates of the cost of cleanup.

For example, where we have a range that used live munitions, the cost of restoring such a place to unrestricted use is monumental, and serious people doubt that it is practical to do it. That makes plain some of the high costs you cite for the Army.

General Williams, did you want to add anything to that?

General **Williams**. No, I have nothing to add to that, Senator.

Senator **Dixon**. I am not totally familiar with that report, but I have heard numbers in that general range.

Senator **Dixon**. Has my friend from Colorado concluded?

Senator **Wirth**. No. That is all right, Mr. Chairman.

I am still pretty confused. Let me go back and take it from the top.

The environmental restoration fund is going to have $500 million in it for 1990 and $500 million in it for 1991; is that correct?

Mr. **Stone**. The base closure account is going to have $500 million in each of those 2 years.

Senator **Wirth**. Then there is $500 million in the environmental restoration fund as well, so you have three pots of $500 million, two for 1990 and one for 1991?

Mr. **Stone**. There will be an environmental appropriation in 1991 also.

Senator **Wirth**. Let us just assume we have the same amount for 1991. Now the General Accounting Office in the statement that the chairman just read is suggesting that over the next 2 years it is going to cost almost $1 billion; is that right?

Mr. **Stone**. For environmental restoration?

Senator **Wirth**. Yes; environmental cleanup for bases recommended for realignment or closure.

Mr. **Stone**. No, I don't think that is right, Senator Wirth. We have never heard of any need to spend that kind of money over the next couple of years. I do not know where those numbers came from.

Senator **Wirth**. I thought the chairman just read this. Recently the services provided the following environmental cleanup cost estimates for the bases totaling about $674 million for the Office of Assistant Secretary of Defense for Environmental; $10 million for the Navy; $15.1 million for the Air Force; and $550 million for the Army, totaling $674 million. Is that right?

Then if you use the higher figure, that includes the Alabama ammunition plant and the Jefferson Proving Ground. You get up to well over $800 million.

Mr. **Stone**. Those are not our numbers, Senator Wirth.

Senator **Wirth**. What I am trying to figure out is what are the numbers here? Let me come back and say how much? What is your estimate? Have you gone around and looked at each one of these bases and tried to estimate cleanup costs for each one of these bases?

Mr. **Stone**. We have some estimates for the Air Force.

Senator **Wirth**. Let me ask the Department of Defense. You have just come in and told us we have $1 billion for the Base Closure Act for 1990–1991; this is going to be adequate for the base closure responsibilities in the next 2 years. We have $500 million in the environmental restoration fund.

Now presumably the Department of Defense has a rationale for that, to say that that is going to be adequate to do the job.

Do you have from the Department of Defense an estimate as to what the environmental cleanup costs for each of these bases are?

Mr. STONE. We have some estimates in various stages, Senator Wirth. We have the numbers that GAO used. The quotes for the Air Force are our numbers. We agree with those numbers.

Senator WIRTH. When will you have firm numbers on this?

Mr. STONE. We will not have firm numbers for quite some time because at many of the installations we have to go out and do tests and measurements and decide what to do.

I should say that most of these cleanup costs will not occur in 1990 and 1991. For example, we have cleanup costs of several million dollars at George Air Force Base. Those will most likely be incurred not in 1990 or 1991, but when George is closing.

The first step in closures and realignment is not necessarily to clean up waste sites. It may be, but we do not expect anything like $800 million in expenses in 1990–1991.

General WILLIAMS. Senator Wirth, the Army is in the process, as we speak, of making an on-site investigation of each of the Army bases that will be closed or realigned to get an accurate assessment of what the environmental bill will be. We should have that report in about 45 to 60 days.

Senator WIRTH. Do you expect to have all the cleanups done by 1995?

General WILLIAMS. Some cleanups obviously will be more difficult. For example, at Pueblo which has a two-tiered kind of a mission, we have some INF-associated business to take place, and we have a demilitarization mission as well. That cleanup will start in 1995 and end in 1997. So then we would close the base after that is done.

General MCCARTHY. Senator Wirth, if I may comment on behalf of the Air Force on your specific questions, while our estimates are based upon our preliminary surveys, we have already spent at the five bases that the Air Force is closing some $13 million already to clean up those. Then in 1989 we are spending almost $10 million; in 1990 about $10 million; in 1991 about $38 million. Then we complete our actions in 1994.

The total amount for each year to monitor to ensure that we do not have a recurrence of a problem, which we call long-term monitoring funds, is $24 million per year, and we do not know how long that will last. All that is included, with the exception of long-term monitoring funds, in the $115 million, which is the Air Force estimate. Of that, we think that $40 million at Norton Air Force Base qualifies for the environmental funds that are in the separate account, not the base closure account.

Senator WIRTH. Thank you very much, General Williams. Let me ask you a final question.

If the cleanup at Pueblo does not start until 1994 and is not completed until 1997, for example, and we may use this to generalize for others, what is the community then expected to do between now and 1997? They cannot use the base for other purposes or cannot begin to use it for alternative purposes because it has not been cleaned up. So the community is kind of caught in a situation of being unable to go out and recruit other uses for this facility until 1997? Is that not right?

General WILLIAMS. Senator, we have clearly taken that into consideration. On all of the affected Army bases, we can dispose of those portions that would not be dirty. Obviously every portion of the base is not dirty, and as soon as we have some usable piece of the installation, we will make it available through the reuse plan.

Those areas that require cleanup, we would do that job and make certain they are cleaned up before disposal. We will not hold everything steady until such time that the entire base is cleared because the entire installation may not be dirty.

Senator DIXON. I think if you will yield, Senator, I had better go to Senator Thurmond here. We have gone beyond your time quite a bit.

Senator Thurmond.

Senator THURMOND. Thank you, Mr. Chairman. I want to welcome the witnesses here today. We appreciate your interest in this work and what you are doing to accomplish it.

I have supported this base closure, and I am going to continue to support it. I think it is a good thing to do and can save a lot of money. I am very pleased with what has been done so far.

General Williams, the Base Closure Commission recommended that 50 percent of Fort Dix's training load be shifted to Fort Jackson as part of the realignment. Although the people of South Carolina welcome these soldiers, I want to make sure the Army has determined what the impact will be on Fort Jackson and what additional construction, if any, will be required to accommodate the increased training load.

Can you tell me what the Army's plans are to accommodate the additional training load at Fort Jackson?

General WILLIAMS. Yes, Senator Thurmond. I would be delighted to answer that question.

The Training and Doctrine Command, which is responsible for the entire training base, is the first of our major commands to develop its requirements.

Fort Jackson will be receiving 50 percent of Fort Dix's training load, and the Army will ensure that all of the facilities necessary to handle this incremental increase, for example, classroom facilities, barracks, training support facilities and the like will be in place prior to moving the soldiers from Ft. Dix.

Senator THURMOND. Thank you.

Mr. Stone, the Base Closing Commission recommended that at a minimum $300 million be included in the 1990 budget request as seed money for the base closure account. The Department is asking for $500 million for fiscal years 1990 and 1991.

Are the Department's plans for fiscal year 1990 sufficiently complete to ensure that the $500 million are spent prudently and wisely?

Mr. STONE. Yes, they are, Senator Thurmond. We are prepared to move ahead with the construction and make the moves in our schedule. We can spend that money wisely.

Senator THURMOND. General McCarthy, do you have any comments to make on any questions I have asked or anything else of special pertinence you want to bring out?

General MCCARTHY. No. Thank you, Senator. Our plans are virtually complete in terms of our ability to implement the 1990–1991 funding. We believe that is essential in order to execute the direction provided by the Congress and the administration, and we believe that that is the right amount of money for fiscal year 1990 and 1991.

Senator THURMOND. Admiral Doebler, do you approve of the recommendation of the Base Closure Commission with regard to naval matters?

Admiral DOEBLER. Yes, Senator Thurmond, we do. We have also developed our implementation plans. They are still preliminary at this point, but we are close to having them complete and we are confident we will be ready to obligate the fiscal year 1990 money prudently.

Senator THURMOND. Do you anticipate any deficiency in the work of the Navy by closing these bases on the schedule?

Admiral DOEBLER. No, sir. The Secretary of the Navy's position was that, particularly with regard to strategic home porting, the Navy would have preferred to stay with the plan that we had which we had developed for the entire strategic home porting program, but the recommendations that have been made are acceptable to the Navy, and we can accommodate those without an adverse impact on our overall naval strategy.

Senator THURMOND. What changes did the Commission make on base closings in the Navy with regard to home porting?

Admiral DOEBLER. They recommended that we not open the new bases at Galveston, TX, Lake Charles, LA and at Hunter's Point, San Francisco; and that in lieu of that for the two ports in the gulf coast that we consolidate the ships at Ingleside, TX at the new base under construction. So we will have one base there instead of three; and at Hunter's Point that we accommodate the ships that were going to go to Hunter's Point and relocate those to Pearl Harbor, Long Beach and San Diego.

Senator THURMOND. Our favorite issue is the home porting program. I can understand what has been done, and I am sure careful consideration has been given to it.

Let me ask you about Everett, WA. Somebody spoke to me the other day and complained that is not a good location for a home port.

Has the Navy had a chance to study that carefully?

Admiral DOEBLER. We have studied it carefully, and we consider that to be one of the very important ones. It is a prospective home port for our carrier battle group in the northwest. It gives us much better access to the sea lanes in the northern Pacific. It saves a lot of travel time from the southern part of the west coast, and that is a very important one to the Navy.

Senator THURMOND. Is that the best location in the State of Washington for a home port?

Admiral DOEBLER. Everett was chosen after a considerable amount of discussion that included several alternatives, and that was selected as the best alternative, all things considered.

Senator THURMOND. The person who spoke to me thought that they needed one in that area but wondered if Everett was as good a location as some of the others that might be available.

Admiral DOEBLER. We are confident that it is. We have obviously had difficulties there from an environmental standpoint which have delayed us for about 2 years, but we feel that those are behind us now and we are moving on.

Senator THURMOND. Thank you very much.

Senator DIXON. I thank my distinguished colleague, the senior Senator from South Carolina.

Mr. Stone, there are over 300 military families in the northern Illinois area who are presently living off base at great cost to the taxpayers; yet, we are talking about closing Fort Sheridan and building at least 100 family units just north of the fort to accommodate military families of servicemen at Glenview Naval Station.

Has the Defense Department directed the services to evaluate moving these families to Fort Sheridan?

Mr. STONE. No, we have not, Mr. Chairman.

Senator DIXON. Is that a matter that is under review at this time?

Mr. STONE. Not to our knowledge, Mr. Chairman.

Senator DIXON. General McCarthy, if I may ask you a question or two about Chanute. The General Accounting Office has found that inaccurate data was used for Chanute and that the Air Force is still trying to reconcile that data.

Where did the Commission get the data it used for Chanute, to the best of your own ability to answer that?

General MCCARTHY. The Base Closure Commission received the data from the Air Force. The Air Force asked the major command involved—in this case, the Air Training Command—to provide us the data.

Senator DIXON. So the Air Force got its data from the Air Training Command, and that information was then given to the Base Commission? Is that your answer?

General MCCARTHY. Yes, it is, with one exception, Mr. Chairman. We took the Air Training Command data and matched it against the data that we already had in the Air Staff for those bases to do a test of reasonableness. We used the Air Training Command data because we thought it was more current, but the data basically matched the data we had in the Air Staff.

Senator DIXON. Was the data base containing Chanute updated and validated prior to the beginning of this process?

General MCCARTHY. I believe that the process I just described to you would be described as validating the process. We used a data base of 1987. We were fully aware of military construction that was ongoing at the time and planned for the future, and that data was provided.

Senator DIXON. Now the base was not visited to verify this data; is that correct?

General MCCARTHY. I cannot answer that for the Base Closure Commission. I can only answer it from the Air Force standpoint. To my knowledge, it was not. It has subsequently been visited.

Senator DIXON. Was the data provided to the Commission verified by officials at Chanute?

General MCCARTHY. To my knowledge, it was not.

Senator DIXON. Was your answer that it was not?

General MCCARTHY. That is correct.

Senator DIXON. I did not hear that clearly. Thank you.

If I might ask you some questions, General Williams, for a moment. General David Cooper, the Chief of Staff of the Fourth Army, says there is an absolute need to backfill Fort Sheridan facilities with U.S. Army Reserve units to reduce lease cost and overcrowding.

Is the Army looking at cost saving options such as moving reserve National Guard units on to Fort Sheridan? Did the Army recommend moves such as these to the Base Commission?

General WILLIAMS. The Army did not recommend any of these to the Base Closure Commission, Mr. Chairman; however, I think you know the disposal process. As part of our implementation plan, the State becomes one of the claimants, so naturally the State, of which the National Guard is a part, would be in line as one of the claimants for the reuse of Fort Sheridan.

Senator DIXON. General, it is my understanding the Army's position on Fort Sheridan was that it should not be closed. Is that true?

General WILLIAMS. The Army is interested in regional presence for the purpose of fueling and supporting our recruiting effort. The Army did not recommend Fort Sheridan for closure.

Senator DIXON. Can Fort Sheridan's mission, in your opinion, General, be accomplished as effectively at Fort Ben Harrison?

General WILLIAMS. Yes, sir, unequivocally.

Senator DIXON. A further question to you on that line. I understand that there is currently a facility shortage at Fort Ben Harrison which includes military family housing. The Commission recommendation is to transfer an additional 700 plus military personnel to that post. How are you going to provide the housing for these people, and how much is it going to cost?

General WILLIAMS. Senator, the Army, as of today, knows of no current family housing shortage at Fort Benjamin Harrison. That information is as recent as this morning.

To accommodate the load that is coming in from Fort Sheridan, the Army has taken a look at that. We have gone through our housing survey, and see no major family housing problem that would be generated as a result of bringing in the Recruiting Command and Fourth Army Headquarters to Fort Benjamin Harrison.

Senator DIXON. Did the Army provide any figures to the Commission on the construction cost to move Fourth Army and the Recruiting Command to Fort Ben Harrison?

General WILLIAMS. The Army did not provide any figures on the construction cost. We provided data in terms of square footage and the like which obviously construction cost could be computed from.

Senator DIXON. Thank you. One moment.

Mr. Stone, I had some questions I wanted to ask you, and I think my staff was going to write out a question for General Williams concerning 60 acres which I was not fully conversant with.

First of all, General McCarthy, if one base missed its bachelor housing requirement by one square foot and another base missed its requirement by 10,000 square feet, they both got a yellow score. Is that true?

General MCCARTHY. It is true as you stated it. Our assessment in ranking these various categories was the following: If the requirement was met, it was given a green; if the requirement was not met, it was given a yellow; if the requirement was not met in such a way that it was not possible to do the mission, if it had a significant impact on the mission, it was given a red.

Using that categorization then, your statement is true.

Senator **Dixon**. I thank you, General.

Very candidly, what we have done here, gentlemen, is try to pick out some of these questions so as not to overburden you in the time that you have to spend with us. Then again, I know I am going to overburden you, Mr. Stone, by sending written questions to you and to the two generals and the admiral, and I hope that you can accommodate us as best you can.

We are going to have the General Accounting Office here tomorrow. Some of these questions we are asking now we are trying to get in advance of their testimony tomorrow for the record.

Mr. Stone, you estimate that $2 million will be needed for community impact assistance in fiscal year 1989. How much do you anticipate this sum will increase during the 5-year phaseout of these bases, and what is the nature of the assistance that DOD will provide these communities? For instance, will the DOD help local school systems adjust to the rapid decline of student population?

Let me show you what has occurred, for instance, at Chanute where the head of the school system there has come to this Senator and Senator Simon and Congressmen Madigan, Bruce and others and showed us a very detailed outline of the number of personnel they will lose by virtue of population reductions if this plan would go through.

Do you remember my questions?

How much do you anticipate this sum will increase during the 5-year phaseout? What is the nature of the assistance DOD will provide these communities? For instance, will the DOD help local school systems adjust to the rapid decline in student population?

Mr. **Stone**. Let me take a shot at that, Mr. Chairman. The total cost of economic adjustment and redevelopment assistance cannot be known until the community reuse plans are completed. We expect that to be done this winter or next spring.

The Department will be providing initial community planning assistance which is in the range of $50,000 to $70,000 each to the impacted community shortly after the end of the congressional review period.

We will prepare a comprehensive summary of planning requirements with affected communities, States and other Federal agencies later this summer, and we expect that we will be able to advise Congress by September as to the total planning assistance needs for the impacted communities.

Information on overall economic adjustment needs based on final community plans will not be known until next spring.

With regard to the question about the schools around Chanute, I would like to ask our economic adjustment director, Dr. Rauner, if he could add anything to that.

Senator **Dixon**. If the good doctor would be kind enough to give his name and title for the record so we will have it.

Mr. **Rauner**. Yes, I will, Mr. Chairman. I will speak loudly so I do not need to move to the microphone. I am Robert Rauner. I am the Director of Economic Adjustment. I will leave a card for the record.

On the impact aide assistance to school districts affected by the closures, we have a legislative budgetary proposal in order of $20 million as a rough estimate of what would be needed to help the district accommodate the cutbacks and the changes caused by the departure of the military dependents. That is our original estimate. We have not been able to refine that in detail at this point.

Senator DIXON. Thank you very much. If you would give your full title to the reporter for the record, it would be of great assistance to us.

Senator Wirth, you had further questions?

Senator WIRTH. I do, very briefly. Thank you, Mr. Chairman.

Senator DIXON. Then we will go to Senator Wilson.

Senator Wirth.

Senator WIRTH. Thank you very much.

The questions I have I guess go to you, General Williams, and they go to the matter of realignment rather than closure. It is very clear what happens when there is a recommendation for closure. That happens, and then there is pretty much of a date certain. It is less clear on realignment.

Are the recommendations in the report for realignment binding?

General WILLIAMS. As far as our interpretation of that, they are, and the Army is proceeding in that way.

Senator WIRTH. What if those recommendations are for realignment after the drop dead date in the Commission, which was 1995?

General WILLIAMS. I am not sure I follow you.

Senator WIRTH. Well, the Commission could only go out in terms of missions to 1995, I understand; is that right?

General WILLIAMS. That is correct. The Base Closure Act requires all realignments to be completed by September 30, 1995.

Senator WIRTH. That was the end of the time?

General WILLIAMS. Yes, sir.

Senator WIRTH. What about realignments that come after that 1995 period of time? Would those become binding as well?

General WILLIAMS. If the Commission made them in this report, it is our understanding that they are in fact binding, but they would have to be completed by September 30, 1995.

Senator WIRTH. It was my understanding that the 6-year time frame was chosen for a pretty clear sense that the world changes between now and 1995.

What if different missions are found or the military believes that it is appropriate to change the missions of the Department of some of those bases? Can the military do that?

Let me be very specific about this. One of the items that is going on at Pueblo, as you point out, is the question of destroying the missiles. The Pershings are being demilitarized there, and then there is a function for a variety of other weapons.

Let us make the assumption that we have a START Treaty. I know it is always difficult to say we are going to appropriate money or develop facilities for taking apart weapons rather than building weapons, but let us assume that we are. Then that has to be done somewhere. A number of people in the Army have thought and we have been discussing with them what happens if there is a surge in the need for demilitarizing a variety of weapons and Pueblo has been the place where that mission occurred and Pueblo is open through 1997 because we have to continue on the Pershings and the other missions there.

What would happen if the Department of the Army were to say we would like to take X missile that is coming out because of the START Treaty and bring that back to be demilitarized at Pueblo? Would Pueblo be able to do that or would Pueblo have to be shut down?

That is a very hypothetical question, but that is what we are trying to figure out in terms of looking at the mission of that particular base. Do you see what I mean?

General WILLIAMS. I see clearly what you mean, Senator Wirth. That is what I was speaking to early on.

The Pueblo situation is somewhat complicated because we do have the INF piece which is up front. The Pershings will have to be taken care of by June 1, 1991. What follows then is chemical demilitarization which will last through 1997.

The Commission recognized all of that and then said close Pueblo after these events occur; therefore, the Army would not be in a position to entertain any new missions because that installation has been cited to close.

Senator WIRTH. So after 1997, even if there were a variety of new missions, they would not be carried out at Pueblo?

General WILLIAMS. It is the Army's view that to keep Pueblo open we would have to come back and ask for new legislation because it has been recommended for closure according to a public law.

Senator WIRTH. The report of the Commission says the installation "should be realigned to the maximum extent possible."

The final item, on realigned bases, do realigned rather than closed bases include the priorities for cleanup? Is a realigned base going to get cleaned up like a closed base is going to get cleaned up, or do we have the potential of getting hung out there on Pueblo because it is not one of the dirtiest and it is not one of those being closed but where is it going to fit in the list of priorities so that the community would know? Is there going to be an investment made to clean up Pueblo so that alternative missions might come there?

General WILLIAMS. The Army is committed to clean up everything that needs to be cleaned up. It is all important, and we are as committed as funds are available to do that.

Senator WIRTH. Thank you, Mr. Chairman.

Senator DIXON. Thank you, Senator Wirth.

Senator Wilson.

Senator WILSON. Thank you very much, Mr. Chairman. Let me ask some questions of General Williams.

General, we all know the Department of Defense officially supports the conclusions of the Base Closure Commission, but the Office of the Assistant Secretary of Defense for Health Affairs made no recommendation to the Commission on whether to close the Letterman Army Medical Center. In fact, I am advised that a study is in progress by the Assistant Secretary's Office with respect to the best way to respond to the medical needs of active duty military and dependents in the Bay Area that will not be available until September.

There was, however, in March 1988 a DOD report which stated that the closure of Letterman would reduce the Army's ability to meet critical wartime specialties. It would reduce the number of available mobilization beds and would negatively impact recruitment and retention of doctors as a result of the disruption of the graduate medical education program conducted by the Army in conjunction with the University of California Medical School.

In light of those facts, I fail to understand why it is that the Army is favoring the closure of Letterman and how they conceive of that closure as being the best policy for the Army medical training and mobilization needs in the Bay Area and, for that matter, in terms of providing qualified physicians for the Army.

General WILLIAMS. Well, Senator, I cannot respond much more than what you have just said. The corporate view of the Army is that once this realignment is made and the Letterman Army Hospital assets are realigned to locations determined by the Surgeon General and the Research Center is relocated to Fort Dietrick contiguous with our Army medical research institute and within the proximity but not in the national capital region, that would in the long term be an efficiency move for the Army.

Now to go after the other part, to deal with the disruption of training and the potential degradation of medical care, that bears some further analysis. I am familiar with the report you referred to. At the same time, we would not want to say positively that there will be the amount of degradation that has been reported because we do not know yet exactly how the medical situation will be addressed in total in the Bay Area.

Senator WILSON. I understand that, and I understand that to be the purpose of the study that is being conducted, which as I understand it will identify potential areas for reforming military health care and training in the Bay Area.

In fact, I understand that the specific purpose of the study is to address questions of whether the Defense Department should build new facilities or consolidate existing facilities.

Again, I said September, but I am told that the results will not become available until December of this year. That being true, I suppose perhaps this question is better addressed to Mr. Stone.

I really do not understand how the Commission was able to proceed in the instance of Letterman Hospital. It seems to me that at the very least they would have benefitted from the deliberations that really are the subject of the study and that the Commission, in making a recommendation on Letterman before this is available, is acting prematurely, to say the least.

It is kind of an interesting precedent. I cannot think of a time when the Department of Defense has acted to accept an outside Commission's recommendations when it was really unprepared to offer advice and had a study of their own underway. It really seems like the cart is before the horse here.

Mr. STONE. Well, we always have studies underway, Senator Wilson. I think the Commission was just faced with a charter and a date that they had to finish their work. They went ahead using the information that was available, always knowing that there would be more information available a year from now.

Senator WILSON. I must say, I think that is a more candid than impressive answer. I think that is correct. I think that is what happened, and I think as a result we are now faced with a situation where the potential closure of Letterman presents what are something less than the best health care options certainly to the 1,600 active duty personnel and approximate 3,700 elderly and CHAMPUS-ineligible patients who sought treatment at the facility last year.

Let me just ask you this, and either Mr. Stone or General Williams should feel free to respond.

The Army, as I understand it, provided the Commission with a document that was dated November 18, 1988 indicating that as a result of Letterman's capacity to expand to more than 6,000 beds during mobilization, which to my knowledge is the greatest capacity that exists anywhere in the system, that the hospital would be "strategically necessary to support a war in the Pacific theater."

Now I cannot help wondering what factors made this assessment change in the few days between the Commission's release of that report and the Department's acceptance of it. Does it not appear that DOD accepted the elimination of what it had defined as a strategic necessity as late as 2 weeks before the Commission made its decisions?

General WILLIAMS. Senator Wilson, let me attempt to respond to your question.

As you know, the Commission used as its preeminent judgment factor, military value. Every administration headquarters in the U.S. Army was under attack. Presidio of San Francisco fell into an administration headquarters installation category. It was the military utility of the installation that the Commission must have considered.

I recognize that there were some dynamics that were working prior to the Commission making this judgment, but that was an independent decision on the part of the Commission, and the Army's view at this point is that, having looked at the recommendation, we feel that we can continue to accomplish our mission in the Army if we get the money.

Senator WILSON. I know the purpose of this whole Commission was to first and foremost bring about those realignments and consolidations that would advance mission, but I am damned if I understand how it is that the mission has been advanced or that any money has been saved because it seems to me that the relocation, to use your phrase, is going to cost money.

You said if we get the money for the relocation, if there were significant improvements in mission performance or mission capability, then it would be worth some additional dollars. In the constrained defense budget that is in fact the reality under the present circumstance, however, it seems to me we are buying very little and, in fact, expending dollars that are desperately needed for other purposes to relocate to no particular purpose.

Mr. STONE. Senator Wilson, the one purpose that we expect when all these actions are complete is to reduce our base operating cost by about $700 million per year.

We recognize that there is an initial investment required to allow us to make those savings, but that is a substantial amount of money to save. Considering the investment required, it is a good deal economically for the Government.

Senator WILSON. Let me ask you something, Mr. Stone. You say that there will be operating savings, and you said how much, $700 million?

Mr. STONE. Yes, sir.

Senator WILSON. Annually?

Mr. STONE. Yes.

Senator WILSON. How does that relate to the overall figure that we have heard expressed by the Department of Defense as the total savings predictable over a 20-year period?

I mean, if you are going to save $700 million a year, you are going to save a lot more than anybody has told us was going to be saved as a result of these consolidations so far.

Mr. STONE. Those numbers come right out of the Commission's report, Senator Wilson.

Senator WILSON. Where did the figure of $5.6 billion come from?

Mr. STONE. The Base Closure Commission calculated the so-called present value of a 20-year stream of costs and savings, and if it were only the $700 million per year and you multiplied that by 20, eventually over that time you would save $14 billion.

Senator WILSON. Which is more than double what we have been told would be the savings?

Mr. STONE. Yes, but the way the economists calculate is they tend to discount the savings in the 20th year by a lot because they are not worth as much to us today as savings this year.

There is a standard technique which is called present value calculations. The present value of that savings stream was, I think, about $5.5 billion.

The $700 million is right out of the Commission's report. It is their estimate with which we agreed.

Senator WILSON. The accountants are telling you the present value of 20 years worth of savings at $700 million per year is $5.6 billion?

Mr. STONE. Yes, sir.

Senator WILSON. Do you understand that, Mr. Chairman?

Senator DIXON. I may not understand that math, but that was not my specialty in high school and college.

Senator WILSON. I have not finished, but my time has so I will wait for the next round.

Thank you, Mr. Chairman.

Senator DIXON. Senator Levin.

Senator LEVIN. Thank you, Mr. Chairman.

Now let me start with you, Admiral. Did you or anybody on your staff formally or informally suggest candidates for base closing?

Admiral DOEBLER. No, Senator Levin, we did not. The Commission and the Commission staff with which we worked was very careful not to do that. We responded to questions. We provided data in accordance with format that was laid out, but the conclusions they came to were theirs and not suggested by us.

Senator LEVIN. Did you comment on their conclusions?

Admiral DOEBLER. Yes. They would ask us then what if we did this and what if we did that, and we would respond to that.

Senator LEVIN. What about in terms of costs or whether or not they would have your approval?

Admiral DOEBLER. No, in terms of impact; could we do it, what if we closed this and relocated a function to some other place, what is the impact of that on the Navy's mission.

They had a cost model that they used across the board, so we would give them numbers. We would say if we closed this we would relocate this many people or there would be a certain number of people affected, and then that went into the standard cost calculation.

Senator LEVIN. So that to the best of your knowledge neither you nor anyone of your staff ever gave an opinion as to the advisability of closing a particular base other than stating what the impact of such a closing would be on a mission or what the cost or savings would be of such a closing?

Admiral DOEBLER. Yes, Senator, that is correct.

Senator LEVIN. General Williams, could you answer the same question?

General WILLIAMS. Yes, Senator Levin. That is basically the format the Army followed as well. We responded to the data calls, and when we were asked to analyze alternatives we did so.

Senator LEVIN. So neither you nor anyone on your staff to the best of your knowledge ever gave an opinion on the advisability of closing any particular base?

General WILLIAMS. We did not give any specific information on a particular base and utility of it other than through our analysis which we were asked to provide.

Senator LEVIN. Even informally?

General WILLIAMS. This soldier did not, sir.

Senator LEVIN. Do you know of any that did?

General WILLIAMS. I know of no one who worked for me who did.

Senator LEVIN. How about anyone who did not work for you?

General WILLIAMS. Senator, the Army is very large.

Senator LEVIN. Do you know of anybody in that large Army who did?

General WILLIAMS. No, sir.

Senator LEVIN. I am trying to narrow the universe to just people that you might have heard of or knew of that did that.

General WILLIAMS. No, sir.

Senator LEVIN. Let me get back to you, Admiral. Do you know of anyone who formally rendered any advice to the Commission on that issue?

Admiral DOEBLER. No, Senator, I do not.

Senator LEVIN. General McCarthy.

General MCCARTHY. No, sir. The process which the two gentlemen before me described is the same process the Air Force used, and, to my knowledge, no recommendation, formal or informal, was passed.

Senator LEVIN. Even in response to a question?

General MCCARTHY. In response to questions it was if we did this, then what would be the impact. So we responded that way, but we were not asked nor did we provide a statement that said you should close that base.

Senator LEVIN. Or that we would have no difficulty if you closed this one?

General MCCARTHY. No, sir.

Senator LEVIN. Or we could buy this or we could live with that?

General MCCARTHY. No, sir.

Senator LEVIN. I guess I should ask you, Mr. Stone, do you know of anybody who gave any suggestions to the Commission from the DOD or from the services as to what bases could be closed more readily than others; what might be acceptable; what might be tolerable; what base or bases any of the services or the DOD could live with; anything like that?

Mr. STONE. I know of none, Senator Levin. I do know that Secretary Carlucci made clear on several occasions that he did not want such recommendations made to the Commission.

Senator LEVIN. Formally or informally?

Mr. STONE. He just said no recommendations. He did not qualify it.

Senator LEVIN. Do you remember the list that Senator Goldwater got from the DOD? It was a notional list, as we call it around here, of which bases might be closed in the event the DOD had leeway to close bases.

Do you remember that?

Mr. STONE. I remember the incident, and I remember a few of the bases on the list, sir.

Senator LEVIN. Do you know how many bases which were on that list are on this list? Are most of them on this list?

Mr. STONE. I think most of them are not on this list. I know the three bases the Department proposed to close last year are on this list, but my recollection is that there is not a very good match between this and the 22 bases.

Senator LEVIN. There were 22 on that so-called notional list given to Senator Goldwater?

Mr. STONE. Right.

Senator LEVIN. I have just one additional question. Mr. Chairman, for the Navy.

Would you like to comment on the additional views of Senator Eagleton, which I am sure you are familiar with? Should I read them?

Admiral DOEBLER. No, sir. You may spare me the pain.

Senator LEVIN. I just wanted you to comment on the statement that the Navy stonewalled the Commission in terms of cooperation.

Admiral DOEBLER. Yes, sir. In my opinion, we responded and we cooperated fully with the Commission and provided the data that they requested at the outset. We had a number of meetings with them as to how the data was to be provided and how it was to be presented. We went to a great deal of effort to make sure that it was thorough and then responded to numerous inquiries after the data was in and the Commission had analyzed it.

I know personally that I had my staff and other people that had help from other parts within the Navy in order to respond to those questions in a very tight time frame and to be very thorough on it. In my opinion we were completely responsive to everything they asked.

Senator **Levin**. Do you know what the basis is for his belief that the Navy has stonewalled? As he phrased it here, the Army begrudgingly gave its reluctant cooperation, and he said the Air Force ultimately gave its cooperation.

Admiral **Doebler**. I believe that——

Senator **Levin**. On what does he base his belief?

Admiral **Doebler**. I believe the Senator, when he looked at the conclusions or the recommendations that came out, if you compared in numbers how many closures were listed for the Navy versus the Army and the Air Force, we had fewer; but at the outset of this process the Secretary testified in June 1988 that the Navy had undergone a significant shore establishment realignment in the 1970s when we were on a downslope in our total force structure.

We had accomplished some 85 major closure and realignment actions at that time of a major proportion and 450 smaller ones. Now the Navy found itself as we were expanding toward the 600-ship Navy and at the same time reviewing where our ships should be home ported in a position of actually expanding some of our home ports so that our base structure could accommodate the force structure and the number of ships.

So at the outset the Secretary said we do not believe that we have a tremendous number of opportunities for which we can close bases; however, we will cooperate with the Commission, and where we find opportunities we will take advantage of them.

That was June 1988, and that is basically what happened. Senator Eagleton had the disadvantage of not coming on to the Commission then. He was a late addition. He did not become a member until October, I believe, and a lot of the data had already been provided and things gone through before he had a chance to join the Commission.

Mr. **Stone**. May I add something to that, Senator Levin?

Senator **Levin**. Sure.

Mr. **Stone**. Part of my responsibility as I saw it was to make sure the Commission was getting the information it needed from the Military Departments. I think that is a bum rap that the Navy has because all through the Commission's work I met repeatedly and privately with members of the staff and asked if they were getting the information they needed from the Military Departments, getting all they needed, getting what they asked for, and I am pretty sure they would have told me if they were not getting what they needed. They just continually said that they were.

Senator **Levin**. They did not differentiate for you the services?

Mr. **Stone**. I went to the people who were working on Air Force stuff, and I said, "Are you getting what you need from the Air Force?" I went to people who were working on Navy stuff, and I said, "Are you getting what you need from the Navy?" Their answer was that they were getting what they needed.

Senator **Levin**. I think it is important that you be given an opportunity to comment on this statement. You all know Senator Eagleton and respect him, and that shook up a few people and I have heard nothing formally or informally from the services. I just wanted to give you a chance to comment.

Thank you so much.

Senator DIXON. Thank you, Senator Levin.

General Williams, the Base Commission said they want to keep 60-plus acres for Reserve component operations. Do you know what units are moving on to Fort Sheridan on this 60 acres?

General WILLIAMS. Senator, I believe that 60 acres is for the Reserve units that are already located at Fort Sheridan. Tied to your earlier question, the Commission recognized that the Reserves needed a home and carved out 60 acres, which we have no problem with.

Senator DIXON. Could you give me the full particulars of that for staff at your convenience?

General WILLIAMS. We will provide that for you, sir.

[The information follows:]

The Commission recommendation was that "approximately 60 acres containing reserve support facilities should be retained." The 60 acres was intended by the Commission to house the reserve component activities on Fort Sheridan and those Fort Sheridan activities whose primary mission is to support reserve component in the area. The detailed plans for the reserve component activities to be housed at Fort Sheridan have not been finalized.

Senator DIXON. I want to announce to my colleagues here and to the audience generally that at 3:45 p.m. there will be two 15-minute rollcall votes on the Graham amendment by Senator Bob Graham of Florida. Someone here called it the Gramm amendment. Also, we have the Hatch amendment to the minimum wage bill.

So at that time I wonder if my colleagues both expect to be here? Perhaps one could leave immediately and return? You are going to be gone? I will have to suggest there will be a brief recess while we go to make those votes, I am afraid. In fact, that may be doing violence to any further work today, frankly, because there will be two back-to-back rollcall votes. That is 30 minutes.

In any event, Mr. Stone, the Commission members speak of chestnuts. You saw that in the record. These are bases that the services wanted to close in the past. One point which I read from the transcript to the committee hearing the other day, they called Fort Sheridan and Fort Monroe two of the chestnuts they want to take up.

Would it be a fair characterization that there was some general internal understanding about that sort of thing, that there were some chestnuts, there were some bases on certain lists that would be targets of this Commission?

Mr. STONE. I would not want to make that comment myself, Mr. Chairman. Clearly there were a lot of bases that had been proposed for closure in the past and the Department wanted to close a base that was not on the Commission's list.

The Air Force tried hard to close Loring Air Force Base many years ago. There was interest on the part of the Army in closing Fort Monroe and Fort McPherson.

Senator DIXON. And, of course, Chanute on an earlier basis. Ed Madigan has been in the Congress and he served with me in the Illinois Legislature, and so he certainly is a contemporary. On a prior occasion the Air Force made an attempt, as it did this time in my view, to close Chanute. The information was flawed at that time.

Is it not a fact that previous closure lists are not forgotten or glossed over in the minds of various services?

Mr. STONE. There are such experiences, but times change and missions change. In my view, that is why it may have made sense to try to close Loring Air Force Base 10 years ago but not today, as an example.

Senator DIXON. In your testimony you mention the need for transfer authority during the current fiscal year and during fiscal years 1990 and 1991 to cover the cost of closing these bases.

I will ask you, Mr. Stone, does the Department plan to ask for this authority in the supplemental we are expecting?

Mr. STONE. I do not know if we have specific plans to do that, Mr. Chairman. I would like to do that.

Senator DIXON. I will follow up with some questions on that in writing if you do not mind.

General McCarthy, could you explain to me how the Commission determined where missions could be transferred? Did the Commission rely on the Air Force for these recommendations? Was there a particular office which was consulted? Were the commands or bases themselves consulted to verify that in fact they could receive the new missions?

General McCARTHY. The Commission received data from the Air Force on all installations. From that, in the structure that was set up for their evaluation, then they asked probing questions within each base category. For example, the training module for technical training centers, they asked questions on technical training centers and then of all bases within that module.

Then they asked questions of several bases in a greater depth. When they did that at those bases, they asked in greater depth. They said if we were considering closing this, where would you move those other missions? Then we looked at it and made our assessment of what we would do. We did that for several bases.

The command level, Air Training Command which has the responsibility for all of those bases in the technical training module, did evaluate and made their inputs to the Air Staff. We basically validated those inputs and passed them on to the Commission. To my knowledge, the base was not consulted because the base would really not have any insight into the best place to place their missions in another base, so they would not be involved in that part of the process.

Now if a base was not one recommended or being considered, I should say, for closure at that point, then they might be asked if they could accommodate missions and which ones they would prefer to take and how well they could accommodate them. To the degree that they asked that of a base, the bases were involved, but that was basically done at the Air Training Command level.

Senator DIXON. Let me just give you a question here which concerns me. I am told that putting the fire training school at Goodfellow will interfere with that base's current training; that the smoke from training will hinder operations of the electronics school. Is that so, and, if it is, was that overlooked, or was the process flawed, or how did we come to that kind of a situation?

General **McCarthy**. That is the first time, Mr. Chairman, that I have heard that is a problem. I will follow up on it to make sure that is not a problem.

Senator **Dixon**. Would you mind giving me a response in writing to that question?

General **McCarthy**. I would be happy to.

[The information follows:]

Goodfellow AFB Fire Training School

Air Training Command (ATC) surveyed Goodfellow AFB specifically for the fire training school focusing on all mission impacts that might ensue. No adverse impact or interference will occur with any activity by locating the school at Goodfellow AFB. Electronic school representatives viewed the Chanute AFB fire training operation and collected samples and data to verify their conclusion of noninterference between fire training and existing electronic operations.

Senator **Dixon**. I have a good many questions here. My colleague from California may have some. I will yield to him. I am going to have to make a decision as to where we go in view of the fact that we are going to have two back-to-back rollcalls on a major piece of legislation.

The Senator from California.

Senator **Wilson**. Thank you very much, Mr. Chairman. I appreciate that. I was having so much fun with the Army, I did not want the Navy and the Air Force to think that I was ignoring them.

Let me ask General McCarthy a couple of questions. The Commission's report states with respect to Norton Air Force Base that increasing air traffic congestion from the Los Angeles area reduces the military value of Norton. At the same time, the Commission recommended movement of three airlift squadrons to March Air Force Base 6 nautical miles away.

Given the proximity of the two bases, how does the relocation of those squadrons relieve the air traffic problem?

General **McCarthy**. Senator, the orientation of the runways at each of those bases is different, and their proximity to the mountains really is the answer to the question.

At Norton Air Force Base because of the mountains on the east, you may only approach it from the west, and that happens to interfere with Ontario Airport's traffic pattern as well.

Just 10 miles to the south, the orientation of March Air Force Base is basically north-south. You have good approaches from the south, which is the principal activity in terms of time with no interference with the Los Angeles airport region airports. So that same traffic moved from Norton to March avoids that conflict.

In addition, the Commission removed some 30 aircraft from the combination of Norton-March when you consolidate that operation, which reduces the level of activity compared to what was there before.

Senator **Wilson**. I see. Let me ask you about George. The Commission wrote that the long distance that existed between George and the Townapa electronic combat range reduced the military value of George as a base and that there was a need for F-4G tactical fighter squadrons to be closer to testing and training grounds. That would make some sense.

On the other hand, what they recommended as the alternative base to George in order to achieve that efficiency was a base that has 221 flying days a year average as compared with the 361 which are afforded at George because of its desert location. It is just a difference in weather, a difference in climate and, therefore, a very significant difference of 140 flying days a year.

I assume that the Air Force was aware of that, but I must say that it is a fine thing to be able to fly a shorter distance to get to your combat range. On the other hand, if you can fly for 140 days more, it seems to me it gives you a whole lot more valuable training ground.

General **McCarthy**. Senator, the weather at George is better than the weather at Mountain Home, but the weather at George has an impact on training only .5 percent per year. The weather has an impact at Mountain Home only 2.5 percent per year. Both of those are well below the Tactical Air Command average of 5 percent per year.

So based on that, we considered weather as not a big factor in the consideration, but the range differences are significant. To the electronic ranges from George, it is 155 miles to get to the electronic range for the F-4G. At Mountain Home that distance will be only 20 miles. So there is a significant difference in that aspect.

Senator **Dixon**. Senator, may I interrupt for a moment to elucidate on what I think we ought to do here?

Pardon me, General.

I have consulted with staff. The situation is obvious to me that we are going to have two 15-minute rollcalls back to back. By the time this Senator and the Senator from California ran over there and voted and tried to come back and do business and then had to go back over to vote and came back and do business, the half hour is shot no matter how you figure it out.

I think beyond that, the time remaining this afternoon that you gentlemen could stay with us or that we could hold a hearing is pretty well gone.

So in the time that remains until we think we can get over there in time to vote, I would ask your accommodation. The bell should ring any moment. I want to ask one more question. Then I would be delighted to have my friend from California to pursue this as long as he feels he can before he has to go vote.

I would ask you all if you could at the earliest possible time to answer the written questions we will give you, and I thank you in advance of your kindness in making yourself available for the hearing today.

I have one question but, Senator, please go ahead and I will ask that at whatever moment is convenient for you.

Senator **Wilson**. Thank you very much, Mr. Chairman.

General McCarthy, in recommending the closure of Mather, the Commission noted the lack of adequate medical and dental facilities to accommodate local demand. Actually, I am not sure whether it was the Commission or the Air Force. I guess it was the Air Force in their advice to the Commission.

Mather Hospital remains the only one to serve the active duty personnel at McClellan, and that also has a very substantial outpatient load from the entire metropolitan Sacramento area. As I understand it, that includes something like 43,000 military retirees who are presently taking advantage of Mather's health care network.

Can you tell me how the closure of this hospital is going to relieve the local demand for health care or, alternatively, what provision is going to be made if it is to simply shunt that load onto CHAMPUS? Is it correct, as I am advised, that the cost of doing so of the additional CHAMPUS expenditures caused thereby would amount to $48 million annually?

General McCARTHY. If I may take the first part of your question, Senator Wilson, the Mather Hospital also serves McClellan. They are only 10 miles apart. McClellan has a clinic and has depended for some time on Mather to provide the principal care in that area.

The Commission was advised of that arrangement of support that Mather Hospital provided for McClellan. We are doing the analysis to determine whether it is most economical to build the required facilities at McClellan as part of the base closure or it is cheaper, more efficient, to simply establish the McClellan hospital at the location of the Mather Hospital.

That analysis is ongoing. I do not have the completion of that. I expect that that would be several weeks before we would understand the value of doing that, but that situation was pointed out to the Commission. The figure that you used in terms of the increased costs for CHAMPUS I would like to provide for the record, if I may.

Senator WILSON. All right. Thank you.

[The information follows:]

MATHER AFB HOSPITAL

For the year ending March 31, 1988, the total cost to the Government for CHAMPUS care purchased in the Sacramento area totaled $11 million. The Air Force Surgeon General's Office has estimated that the closure of Mather Hospital will increase these costs by approximately $19.6 million annually. That would put the total annual estimated CHAMPUS costs at $30.6 million for the Sacramento area.

Senator WILSON. Could you tell me this, Mr. Stone? Since we have been discussing Mather, that is what brought it to mind as an example. There are a number of bases in my State which are, I guess, on an NPL list in terms of the toxic waste problems that they have created, many of them at a time when we were blissfully unaware that we were creating them. We brought back tanks and helicopters and other equipment from Vietnam and treated them with degreasing solvents that seeped into the earth.

What did the Commission do with respect to the problem of cleanup of those bases which it recommends be closed?

Mr. STONE. I believe the Commission's general assumption was that the bases would have to be cleaned up sooner or later in any case, and, therefore, they did not consider the impact of cleanup cost on their recommendation.

Senator WILSON. That is a reasonable position, but it raises a second question; that is, human nature being what it is, if you are in an atmosphere of budget constraint and trying to make due with operating costs, what then are we to expect in terms of the priority that will be given cleanup to those toxic problems on the bases that are being left behind, that are being closed?

Mr. **Stone**. I think that, first of all, any toxic problem that represented a potential threat to the surroundings would be absolutely top priority for us to clean up.

Beyond that, I think we would have to balance the cost of cleaning up and disposing of property versus the cost of holding onto the property, both the cost in our budget and the cost to the community for reuse.

Senator **Wilson**. I guess one of the questions I have is a purely legal question. What constraint is there on the Department of Defense in terms of attempting to dispose of a site that is acknowledged to have a serious toxic problem?

Mr. **Stone**. We cannot legally dispose of a site that has a serious toxic problem.

Senator **Wilson**. Not even to a willing buyer who is willing to contract with you, to negotiate with you as to how that burden will be shared?

Mr. **Stone**. Sad but true; even under those circumstances.

Senator **Wilson**. So hypothetically, a civilian developer who wanted to acquire a base to develop an industrial park could not volunteer to undertake the cleanup?

Mr. **Stone**. That is correct.

Senator **Wilson**. That is much too rigid.

Mr. **Stone**. That is rigid.

Senator **Wilson**. If you have a willing buyer who is willing to assume the cost.

Mr. **Stone**. We cannot be relieved of our responsibility.

Senator **Wilson**. I understand that.

Mr. **Stone**. If the developer does not clean up and some disaster occurs, it is our responsibility.

Senator **Wilson**. I understand that.

Senator **Dixon**. It is a third-party problem here, Senator, do you not think? I think what Mr. Stone is suggesting is it is a probability. You have that third-party problem here exclusive of the understanding between the willing buyer and the willing seller.

Senator **Wilson**. I think, Mr. Chairman, that what we ought to do is to really pursue this, because I think this is a very significant point.

I would agree with the statement that as a matter of policy and I think as a matter of law it is impossible for the military, the owner of the base, to escape the liability.

On the other hand, I do not think that should necessarily preclude their entertaining the option to dispose of the property to a civilian buyer who is willing to assume the liability because it seems to me that we ought to encourage that kind of thing as a means of allowing private sector resources to deal with the problem. That is an overwhelming problem just in the military context, not to mention the greater gap that exists between the Superfund and the magnitude of toxic cleanup nationwide.

Mr. **Stone**. That would make good business sense, Senator Wilson.

Let me ask our counsel whether it is legally possible for us to do.

Senator **Wilson**. If it is not, I think we ought to change the law.

Senator **Dixon**. If I may interject with a comment while the discussion is going on, Senator, it occurs to this Senator, though, that in passing it on to some private development you could expand the liability features which would be a concern. I think that that would be a thing you would have to address.

Obviously, let us take a case where you have a place that has this environmental feature that is unsound, and then you would pass it along to somebody who has some kind of a playground where children would come in who would be exposed that were not otherwise exposed.

I do not think it is quite as simple as just sharing the cost. I think it is also a question of whether you expand the exposure and so forth. I guess that is also a feature of it.

Senator WILSON. What I think you would find is that local government would be extremely sensitive to that point. There might be certain uses that would simply be prohibited at least until such time as they had been assured that the cleanup had taken place.

What I do not want to see is a legal framework so rigid that we preclude the availability of an option that could be extremely useful.

Senator DIXON. I think the Senator raises a very interesting point that would be, I think, very helpful to the committee. If our witness here or staff could expand on that and give us a response. I think time here will not permit it.

I think I kind of understand the reason for the rule. On the other hand, I understand the commonsense of what the Senator is saying, and perhaps we could get a response in writing that would help us all.

Mr. STONE. We will give you a response, Mr. Chairman.

[The information follows:]

SITE DISPOSAL

In accordance with the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), section 120h(3), governing property transferred by Federal Agencies, each deed entered into for the transfer of property on which any hazardous substance was stored for one year or more, or known to have been released or disposed shall contain:

"(A) to the extent such information is available on the basis of a complete search of agency files—

(i) a notice of the type and quantity of such hazardous substances,

(ii) notice of the time at which such storage, release, or disposal took place, and

(iii) a description of the remedial action taken, if any, and

(B) a covenant warranting that—

(i) all remedial action necessary to protect human health and the environment with respect to any such substance remaining on the property has been taken before the date of such transfer, and

(ii) any additional remedial action found to be necessary after the date of such transfer shall be conducted by the United States."

There are no provisions in law for transferring DOD liability. Hence, subsequent discovery of additional contamination would be a DOD cleanup responsibility as would failure on the part of a subsequent owner to effect proper remedial action.

Mr. STONE. We can dispose of property with restrictive covenants that would allow, for example, use as a gasoline station but not as a playground. But if the person we dispose of it to later disappears or goes bankrupt, and there are health problems or injuries——

Senator DIXON. Then the liability is retained.

Senator WILSON. I understand that, and I think that is proper; but I do think that there are at least hypothetically situations in which you would have a developer who is interested and capable, who has the resources necessary to conduct cleanup, who potentially as the developer of an industrial park could afford the high cost of cleanup and still find it a very profitable thing to do, in which case the community could be benefitted.

I do not know why this man over here is shaking his head.

I think that is something that we ought to pursue.

Mr. Stone. We will pursue that, Senator, and we will provide you with some information on it.

Senator Dixon. I thank the Senator. I think his point is an interesting one on which we ought to have more information.

I am going to ask one question here, and then if Senator Wilson cares to pursue it with further questions he is certainly welcome to.

I expect any moment we are going to be interrupted by a rollcall.

Senator Wilson. Mr. Chairman, I think you are right, and when that happens it is going to be a good half hour. So I gather it is your intention to not come back?

Senator Dixon. I just see nothing useful in it. We are going to be engaged during the balance of the day with other things on this issue on the floor.

Senator Wilson. If there are additional questions, Mr. Chairman, I do not know whether we will have the opportunity to deal with this panel again, and on the other hand I am not eager to take up their time. There are some unanswered questions at the very least. If we suggest pursuing them for the record, is that a realistic thing to do, or what are we looking at now in terms of the clock?

Senator Dixon. I think you could go ahead and ask any questions you want to ask in writing. I would inform you that the Chair has a good many here that will be sent to these witnesses in due course, probably tomorrow. We have the General Accounting Office tomorrow. We are not precluded from further hearings later on. I think we will have to see what develops and what our plan is.

You know, this Senator certainly expects that there will be, frankly, some legislative responses in this authorizing subcommittee and in the authorizing committee of which this is a part and in the Appropriations Subcommittee, the Defense Appropriations Subcommittee, and the Appropriations Committee on all this subject matter, particularly with reference to whatever errors we think took place, flaws that were present in the result that was obtained and things of that character.

So this is not a closed thing, and it does not really have much regard, may I say to my colleague from California, to the clock so far as that time date that will expire at the end of the legislative days because that only addresses the resolution, the disapproval. It has not really much to do with the other things that we are looking at.

Does that satisfy my friend from California?

Senator Wilson. Yes. Thank you.

Senator Dixon. I wanted to ask this question. Updated information and data available to the Air Force in September 1988, we are informed by GAO, was not used to evaluate Chanute. This data would have given Chanute a higher score, and with no other changes to other air training commands Chanute would not have been the lowest ranking base.

I do not know whether it would be you, General McCarthy, or Mr. Stone, but I would like to ask why was this updated information or data not used to evaluate Chanute?

General McCarthy. Mr. Chairman, the Air Force used the best data base that it had. It used the data base from the Air Training Command which was the most current data that we had to provide to the Commission.

I am not aware of data that the GAO may have that would have changed the Commission's outcome in the areas that were rated yellow or deficient in some way. All of the bases in Air Training Command had a number of yellows. I do not know how you could take that data and rank order them because I have looked at the data, and I am unable to rank order them.

The Commission has testified that their evaluation was subjective even though it was based on data. I know of no errors in data that in my judgment would have driven a different conclusion on the part of the Commission, although I admit that I do not have the insight into the methodology of the Commission.

Senator Dixon. I thank you for that, General.

If I may follow along with that, General McCarthy, if the Commission's recommendations are fully realized, what would be the Air Force's capability to relocate tactical fighter airlift or other deployed forces to the CONUS, and where would be the principal candidate sites for these forces should they be returned to the States?

General McCarthy. Well, the answer to that question is whether you are going to return them as active forces or put them in the Guard and Reserve.

If I can deal with the Guard and Reserve first, because of the drawdowns in force structure that we have had to make based on fiscal constraints, we already have many units that have dropped from 24 PAA, Primary Aircraft Authorized, down to 18. So the initial thing you would do would be to robust those back up. There is plenty of room to handle a fair number of aircraft in those units.

If the judgment was made to retain the units on active duty when you brought them back from overseas, then there are units that we have had to draw down from other bases that we know have room. We just took out a unit from Nellis Air Force Base, we took out a unit from Homestead Air Force Base, and there are a number of places that are available to handle the drawdown of overseas units if that is the judgment of the Congress and the administration.

That was a specific consideration, as I understand it, of the Commission. We were asked for the capacity to place squadrons at all of our bases, and consideration was given to future drawdown of overseas bases.

Senator Dixon. Let me ask you one more question, and then I think we will conclude. Obviously the 3:45 vote has not yet occurred, but I am sure we will be voting shortly.

Mr. Stone, Secretary Cheney stated recently that the Department will be looking toward further closures in the future based presumably on a reduced force structure.

Can you tell me how the Department plans to proceed on this? The Commission chairmen were clear that they believe these decisions should be made by the Department. Is the DOD prepared to provide this management oversight?

Mr. STONE. I cannot really elaborate on that, Mr. Chairman. I have seen in the newspaper that quotation of Secretary Cheney. I have been unable to pin it down, and I do not yet know what the Secretary has in mind or whether he actually said what the newspapers have indicated he said.

Senator DIXON. Have any of you over there in the shop been looking at foreign bases? You know, I had an amendment on that bill that indicated you ought to look at foreign bases, and the response we got back was the Commission did not have time to look at them and evaluate them, and consequently nothing would be done at this time.

We continue to see stories about INF bases over in Italy. As chairman of the subcommittee I run into concerns about bases in Europe and other places where we think that there are questions, and I wonder whether we are beginning to address the question of foreign bases.

Mr. STONE. Even though the law did not require a study of foreign bases, Secretary Carlucci did order such a study last summer. It was done and forwarded to the committee. The conclusion of this study was that our foreign base structure ought to stay the way it is, but we did make such a study.

Senator DIXON. Now I am told by staff here, and I leave that to the further evaluation of those of you who have that information at hand, that there is some information that was available to Secretary Carlucci suggesting there were at least 22 potential base closing possibilities among foreign bases.

Mr. STONE. I am not familiar with that statement, Senator Dixon.

I misspoke. I told you something wrong. I said the law did not require——

Senator DIXON. This Senator put the amendment on. I know what the law said. That is all right. I did not mind that. As a matter of fact, in all fairness you are partly correct.

All that we said in the amendment was since obviously the Department of Defense already has that power, look at it, study it and give us a report on it. This Senator received along with the chairman of the committee a letter saying, you know, we looked at it and we do not have time to do it right now and so forth, which was, if you will forgive the expression, I thought something of a copout, but at the same time nobody would quarrel about the short stroke here. There was not a whole lot of time.

Would you excuse me a moment, as long as we have a moment to pursue this? I am not going to take much more of your time.

[Pause.]

We get into the age old problem in this committee, as we all understand, about what is classified and what is not, how you ask questions and say things if things might be classified. We went through that whole thing with respect to the transcripts themselves that were first stamped secret and then released without being classified.

Let me just put it to you this way. I would appreciate it if someone would get back to us in connection with that exchange we just had about the potentiality for some bases which we think are in the numbers of low 20s out there in the world at large outside the continental limits of the United States to the extent that we can discuss this and it does not come to me in a classified way and I am satisfied it is not classified that we might pursue that at a later date in some time frame that you can conveniently accommodate me.

Mr. STONE. We will try to track that down, Senator.

[The information follows:]

OVERSEAS CLOSURES

What I think you are referring to is a statement that appears in the beginning of the classified Overseas Basing Study. This study mentions the Army's Base Viability Assessment Program in Europe, which examines the need for Army bases annually. This program has resulted in 19 installation closures since 1985. Other bases are also under consideration for closure.

Senator DIXON. That need not be in the next few days. I do not need to tell gentlemen like you that when we get to the markup in this committee, my subcommittee is going to have the biggest problem because it has the biggest authorization problem.

If I understand what is transpiring out there, the numbers are not going to be that encouraging this year. We are going to have to look at some things, and that might be one of the places we want to look to in time to avoid other kinds of reductions that would be more painful for many of us in this room, I think.

Mr. STONE. I hope when the time comes you will look favorably on the need for a $500 million authorization for the base closure account, Senator.

Senator DIXON. We will carefully evaluate that, Mr. Stone.

I want to thank you all for accommodating the committee and the subcommittee today. The first rollcall that was going to occur positively at 3:45 is occurring positively at 4:11. I thank you, Mr. Stone, and I thank you General McCarthy, General Williams and Admiral Doebler. Thank you all.

This subcommittee is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR ALAN J. DIXON

FORT SHERIDAN

Senator DIXON. General Williams, the Base Closures Commission has indicated that approximately 60 acres of land should be made available at Fort Sheridan. As you may know, seven out of eight USAR soldiers in northern Illinois drill in overcrowded facilities, two-thirds drill in Reserve Centers 50 percent over capacity, and approximately half drill in double loaded or worse facilities (figures provided by the 4th U.S. Army). Brigadier General Cooper, Chief of Staff, 4th Army, stated in a letter that ". . . we are looking at how we can expand to accommodate severely overcrowded USAR units in Chicago and now occupying very expensive leased facilities . . ." He goes on to say that if 4th Army or USAREC move ". . . there would be an immediate, absolute need to backfill facilities with USAR units to reduce lease costs and alleviate overcrowding." There are other points that are made in General Cooper's letter which I've attached so that you can provide me with what plans the Army has for meeting these critical needs at Fort Sheridan.

General Williams, it is my understanding that the 4th Army intended to bring the headquarters of the 416th Engineering Command, the 85th Division, and the 86th Army Command to Fort Sheridan. The 4th Army intended to use Buildings #142 and #367 as the locations for these units, once the new commissary/shopping center was completed. Is this plan still going forward? If not, why?

General **Williams**. No formal plans were submitted prior to the publication of the Commission's report on Base Realignment and Closure proposing the relocation of any USAR units to Fort Sheridan. As part of the Department of the Army implementation plan, proposals will be submitted by installations affected by the report outlining how they will execute the Commission's recommendations. Fort Sheridan's initial planning efforts did recommend the relocation of the 86th U.S. Army Reserve Command and the 85th Division (Training) to Fort Sheridan. The implementation plan for Fort Sheridan will be submitted to Forces Command, who, after careful review, will forward the plan to Department of the Army. This plan should include recommendations on the best utilization of the Reserve support facilities (approximately 60 acres) remaining after closure.

Senator **Dixon**. General Williams, several other units and activities are located at Fort Sheridan. These include Corps of Engineers, Criminal Investigations Detachment, Commissary, Credit Union, Director of Health Services, ROTC program, Readiness Group, 902 MI Group, 51st Ordnance Detachment, and others not directly associated with the 4th Army or the Recruiting Command. Where does the Army intend to move these units and activities? If you intend to move these operations into leased space, what is the cost? Why not just keep these units at Fort Sheridan?

General **Williams**. The Army is developing a detailed implementation plan which addresses each of the small tenant activities at Fort Sheridan. The initial proposals by the installation are being reviewed by Headquarters, U.S. Forces Command. No decisions on the location of these activities have been made. However, the recommendations of the Commission will be executed on closing Fort Sheridan and relocating the specified recruiting activities.

Senator **Dixon**. I also understand that the 4th Recruiting Brigade and the Recruiting Battalion are to be located in leased space somewhere in Chicago. What are your cost estimates for this? Do the estimates include housing costs for military families and unmarried personnel? Does it not make sense to keep these units and their families on Fort Sheridan?

General **Williams**. The cost estimates for housing the 4th Recruiting Brigade and the Chicago Recruiting Battalion were estimated by the Commission to be approximately $1 million. This estimate includes only the facilities for the units. As for retaining these units at Fort Sheridan, the Army is required to execute the Commission report as written.

Senator **Dixon**. General Williams, I am extremely concerned that the Army does not have a plan for usage of the remaining land recommended to be kept at Fort Sheridan. The Base Commission in its discussion on this issue was extremely vague. In fact, the Commission really did not understand how the area was to be divided. This Subcommittee will be holding military construction hearings on the FY90/91 requests in late May. I would like to have your staff, to include the Fort Sheridan garrison commander and the deputy garrison commander meet with my people, Charles E. Smith and Bob Bayer, before the military construction hearings in May. Can you have your staff schedule such a meeting as soon as possible.

General **Williams**. When the detailed usage plan is developed for the remaining land at Fort Sheridan, I will ensure those details are provided to you.

FORT SHERIDAN HOUSING

Senator **Dixon**. Earlier I asked you about the 330-plus family housing shortage which exists in the Northern Illinois area. There are family housing needs for military members assigned to Glenview Naval Air Station, Great Lakes, and for active duty Army personnel who will be remaining in the area. By moving the 4th Army and the Recruiting Command from Fort Sheridan, you will then open up military housing at this post. So why are you not looking at using these family housing units to reduce the outstanding shortage?

I would appreciate your meeting with my staff as soon as you have reviewed this housing situation.

Mr. **Stone**. The Commission recommendation is specific on closing Fort Sheridan. With the exception of the Reserve support area being retained, the remainder of the installation, to include the family housing area, must be closed and disposed of in accordance with the Base Closure and Realignment Act.

Even if another service planned to acquire the family housing at fair market value during the disposal process, the base operations support currently provided by the installation would no longer exist to maintain the housing units. Therefore, the cost to operate these units may not be cost effective.

COMMISSION COSTS

Senator **Dixon**. Mr. Stone, on page 8 of your testimony you list the costs of the major closures by fiscal year for both Milcon and other expenses. For the record, would you break out the non-Milcon expenses into the major sub-elements, for instance military personnel; operations and maintenance; civilian personnel; community impact assistance, etc.

Mr. **Stone**. The non-Milcon costs used by the Commission are listed below:

O&M

[In millions of dollars]

Base	1990	1991	1992–94
Army:			
Fort Dix	44.7	33.0	99.0
Fort Douglas	44.0	01.9	04.3
Fort Sheridan	05.1	16.2	13.5
Presidio	48.5	03.8	11.7
Fort Mead	55.6	75.3	48.0
Hamilton	00.1	00.1	00.1
Pueblo	12.0	12.0	01.0
Umatilla	09.4	09.6	00.0
Kapalma	00.0	00.0	00.0
Lexington	40.0	41.7	44.3
Amtl Lab	17.0	17.8	16.2
Jefferson	19.0	19.0	19.0
Cameron Station	00.8	17.7	10.5
All Other	16.4	17.6	00.0
Navy:			
Brooklyn	01.5	01.5	08.0
Sand Point	01.1	01.0	02.3
Hunters Point	07.0	07.0	14.0
Lake Charles	00.0	00.0	00.0
Galveston	00.0	00.0	00.0
Coconut Grove	00.0	00.0	00.0
Air Force:			
Norton	02.6	02.6	52.1
George	10.3	03.1	67.9
Mather	01.8	00.4	34.5
Pease	25.3	05.6	03.5
Chanute	03.0	08.6	50.0

[In millions of dollars]

Base	Milpers			Other (procurement)		
	1990	1991	1992–94	1990	1991	1992–94
Army:						
Fort Dix	0.0	0.2	5.1	0.0	0.0	0.0
Fort Douglas	0.2	0.2	1.0	0.0	0.0	0.0
Fort Sheridan	0.0	1.4	4.8	0.0	0.0	0.0
Presidio	0.0	0.0	0.0	0.0	0.0	0.0
Fort Mead	0.1	2.2	9.8	0.0	0.0	0.0
Hamilton	0.0	0.0	0.0	0.0	0.0	0.0
Pueblo	1.0	0.0	0.0	0.0	0.0	0.0
Umatilla	0.0	0.0	0.0	0.0	0.0	0.0
Kapalma	0.0	0.0	0.0	0.0	0.0	0.0
Lexington	0.0	0.0	0.0	0.0	0.0	0.0
Amtl Lab	0.0	0.0	0.0	0.0	0.0	5.0
Jefferson	0.0	0.0	0.0	0.0	6.0	6.0
Cameron Station	0.0	0.0	0.0	0.0	0.0	0.0
All other	0.0	0.0	0.0	0.0	0.0	0.0

[In millions of dollars]

Base	Milpers			Other (procurement)		
	1990	1991	1992-94	1990	1991	1992-94
Navy:						
Brooklyn	0.0	0.0	0.0	0.0	0.0	0.0
Sand Point	0.0	0.0	0.0	0.2	0.2	0.2
Hunters Point	0.0	0.0	0.0	0.0	0.0	0.0
Lake Charles	0.0	0.0	0.0	0.0	0.0	0.0
Galveston	0.0	0.0	0.0	0.0	0.0	0.0
Coconut Grove	0.0	0.0	0.0	0.0	0.0	0.0
Air Force:						
Norton	0.0	0.0	1.9	3.4	3.4	4.0
George	1.1	1.1	13.4	0.6	0.8	4.7
Mather	0.0	0.0	2.3	7.2	7.6	21.2
Pease	0.0	0.7	1.5	0.7	2.7	15.0
Chanute	0.0	0.5	6.0	4.0	4.0	10.9

FUNDING REQUIREMENTS

Senator DIXON. Mr. Stone, during his testimony before the full committee, former Secretary of Defense Carlucci stated that he put in the $500 million for the Base Closure Account for fiscal years 1990 and 1991 as a funding wedge, prior to knowing the Commission's recommendation. Now the Department has had a chance to analyze the Commission's recommendation, is this request appropriate or will we see a revised request with the budget amendment?

Mr. STONE. The military services are still assessing the impact these closing will have upon all of their appropriations over the given time period. As of this time, the need for a revised funding request is not anticipated.

PROJECTED SAVINGS

Senator DIXON. Mr. Stone, by your own data, it would appear that for fiscal year 1990, costs exceed savings by almost $700 million, and in fiscal year 1991, by about $640 million. Certainly you do not expect the proceeds of property sales to make up the difference, do you?

Mr. STONE. Proceeds from property sales are only a part of the resources which the Commission considered to offset the costs. Other savings that offset costs are: procurement and construction that will be avoided, civilian salary savings, losing base operating expenses, losing base housing changes, officer and enlisted salary savings, PCS avoidances, and housing allowance savings. You are correct that costs exceed savings in fiscal year 1990 and fiscal year 1991. That is the primary reason for the Department's request for $500 million in each fiscal year.

LAND VALUE

Senator DIXON. Mr. Stone, you state that the estimated value of land to be excessed is $1.388 billion. How was that figure derived? How much of the property do you expect to be able to sell? What assumptions were used to determine fair market value?

Mr. STONE. For the purposes of the Commission's study, the fair market value of the excess real property could be estimated by comparing the base's land to land values outside the base. This can be done after the potential base candidate listings have been reduced to a manageable number. Since the cost to remove unusable improvements on the base may offset the value of remaining improvements, the Commission staff believes that the raw or undeveloped value of the land, as commercial, residential or industrial property, would, in most cases, be a reasonable approximation of the fair market value. In some cases, it may be necessary to consider the value of improvements to the property if there is a reasonable expectation that the property will be sold as it is currently configured.

FUTURE CLOSINGS

Senator **Dixon**. Mr. Stone, Secretary Cheney stated recently that the Department will be looking toward further closures in the future based, presumably on a reduced force structure. How does the Department plan to proceed? The Commission Chairmen were clear that they believed that these decisions should be made by the Department. Is the DOD prepared to provide this management oversight? How do you anticipate overcoming the statutory and other obstacles which many blame for the lack of progress in this area during most of the Reagan administration?

Mr. **Stone**. Senator, to the best of my knowledge, Secretary Cheney has not made any futher decisions on reductions in force structure which could eventually impact further base closures. However, we are prepared to support future decisions and acknowledge that an undertaking of this magnitude cannot be accomplished without the individual military departments playing an intricate role. Many of the statutory obstacles present in the Commission report noted that ". . . to be successful, future base management must be an integral part of our political system. . . .". They go on to cite a number of recommendations which the Congress and the Department need to jointly investigate.

CONUS RELOCATION

Senator **Dixon**. General Williams, if the Commission's recommendations are fully realized, how much capacity will the Army have to support ground forces which might relocate to the CONUS from overseas? Where would be the principal candidate locations?

General **Williams**. As a result of the Base Realignment and Closure action to be completed in 1995, the Army estimates two posts will have some capacity to accept units that could be relocated from overseas. The two posts are Fort Dix and Fort Bliss.

It is estimated that Fort Dix will have up to 12,500 billet spaces and 1,550 family housing units and Fort Bliss will have up to 2,100 billet spaces with no extra family housing. These estimates do not account for the other uses the Army might plan for these spaces upon completion of base closure actions, for example, reserve units use of barracks and facilities during inactive duty and annual training periods, relocation of remaining units from temporary structures into permanent structures vacated by realigned units, etc. Additionally, the Army would require a significant lead time to study the posts and types of units that might return to ensure the posts could properly support the unit's readiness requirements, i.e., training, sustaining, and deploying in support of their respective CINCs.

TRANSFER AUTHORITY

Senator **Dixon**. Mr. Stone, you mention in your testimony the need for transfer authority during the current fiscal year, and during fiscal year 1990 and fiscal year 1991, to cover the costs of closing these bases. Does the Department plan to ask for this authority in the Supplemental Appropriation we are expecting? Could you, for the record, provide details of expenses you would fund through this transfer in fiscal year 1989?

You state that the Department wants the authority to transfer "unneeded funds" to the base closure account during fiscal years 1990 and 1991. If these funds are "unneeded", why does the Department not simply ask for what is needed to accomplish these closures in its amended budget submission?

Mr. **Stone**. Senator Dixon, in answer to your first question, I am not sure whether there will be a Supplemental Appropriation request, however, transfer authority could be attached to any appropriation bill. Granting the Department's request would authorize funds to be redirected into the base closure account to be used only for those expenses incurred as a result of closures or realignments. Although we do not have detailed cost estimates, obligations to the affected communities and other liabilities exist. For example, real estate appraisals, environmental investigations, military construction planning and design at gaining installations are some of the expenses we could fund during fiscal year 1989.

The request for transfer authority of "unneeded funds" in future fiscal years is designed to take advantage of opportunities that may develop during budget execution. The requested $500 million in fiscal year 1990 and fiscal year 1991 is expected to adequately fund the known expenses in the early stages of the closure process. However, if authority is received to transfer other unneeded appropriated funds to the account, actions can proceed at a faster pace thereby allowing for quicker redevelopment of the effected properties and faster realization of savings.

BASE CLOSURE #3

Senator **Dixon**. I also understand that Phase 1 was flawed in another way. According to the General Accounting Office, in calculating the relationship of available facilities to required facilities, the Air Force made errors by substituting replacement construction for expansion construction. This would also skew the results in Phase 1. How could this happen, if the proper checks were being made? It is clear to me that we need to re-evaluate the Commission's Phase 1 effort to determine where these bases should actually be ranked, particularly in light of the fact that Phase 1 results formed the principal arguments behind closing Chanute.

General **McCarthy**. Air Training Command has reviewed the data submitted to the Air Staff for use by the Base Closure Commission and "in our determination of facility requirements only those projects programmed to correct space deficiencies were considered." "Replacement projects were not considered additional requirements."

BASE CLOSURE #4

Senator **Dixon**. In your Air Force Times interview, which I ask to be included in the record, you stated that Chanute officials had requested money to replace aging facilities, and that this information was used by the Commission. Do you recall what those Chanute requests were and may I have a copy of them?

General **McCarthy**. The project list below represents the Air Training Command's submittal of facility projects for Chanute AFB in fiscal years 1990-94. The requests were made in April 1988 prior to any base closure actions. These project totals were made available to the Commission during their analyses. Not all projects became a part of the fiscal year 1989 President's budget, but reflect the command's assessment of its base relative needs at the time.

The following projects are based on the April 1988 POM submission:

Chanute:	*Millions*
Fiscal year 1990 Alter Technical Training Facility	8.4
Fiscal year 1991 Utility Connections	.7
Fiscal year 1992 Alter Technical Training Facility	4.3
Fiscal year 1993 Hydrant Fueling	3.1
Fiscal year 1994 Alter Technical Training Facility	10.5
Total	37.0

Senator **Dixon**. I would also like to know what the other bases in the Air Training Command (ATC) have requested within the past 3 years, and would you please provide me with that information as well?

General **McCarthy**.

Chanute:	*Millions*
Fiscal year 1989 Alter Student Facilities	6.5
Fiscal year 1988 Unaccompanied Officer Personnel Housing	5.0
Cold Storage Facility	3.4
Fiscal year 1987 Weather Training Facility	8.7
Liquid Fuels Training Facility	2.6
Total	26.2
Goodfellow:	
Fiscal year 1989 Vehicle Maintenance Facility	2.4
Fiscal year 1988 SCI Facility	5.5
Fiscal year 1987 Unaccompanied Officer Personnel Housing	10.0
Total	17.9
Keesler:	
Fiscal year 1989 Add/Alter Data Automation Center	2.4
Security Police Operations Facility	2.2
Fiscal year 1988 Sq Operations/Non-destructive Inspection Fac	6.3
Fiscal year 1987 Defense Access Road	3.2
Total	14.1
Lackland:	
Fiscal year 1989 Language Training Lab Facility	12.0

Back-up Power Plant	2.1
Fiscal year 1988 Student Officer Housing	12.0
Regional Wastewater Connection	1.9
Fiscal year 1987 Unaccompanied Enlisted Personnel Housing	16.0
Total	44.0
Lowry:	
Fiscal year 1989 Unaccompanied Officer Personnel Housing	12.0
Fiscal year 1988 Add/Alter Academic Classroom (PMEL)	3.8
Transportation Complex	3.3
Fiscal year 1987 None.	—
Total	19.1

BASE CLOSURE #5

Senator DIXON. Again, in your Air Force Times interview, you gave reasons supporting your conclusion that Chanute was the logical base to close. You said that the other Technical Training Centers have, in comparison to Chanute, a better infrastructure to handle increased training and are in better physical shape. You also say that greater and more recent investments have been made at the other ATC bases. Does the position you now have afford you the opportunity to have direct knowledge of these other bases? Are you an expert in this area?

General MCCARTHY. In comparison to most of the other Technical Training Centers (TTCs), the average age of Chanute's facilities is higher, i.e., Keesler—23 years; Goodfellow—25 years; Chanute—27 years; Lowry—30 years. Also, the funds requested by Air Training Command to maintain Chanute's infrastructure over the next few years are greater than the funds requested for other TTCs. Specifically, in programmed military construction alone for fiscal years 1987–94, Chanute will require $63.2 million compared to $31.2 million for Lowry, $32.3 million for Goodfellow, and $25.0 million for Keesler. Additionally, the average yearly real property maintenance account (RPMA) costs and non-pay base operating support (BOS) costs at Chanute are expected to be higher than most of the other TTCs, i.e., Chanute—$25.3 million; Lowry—$23.2 million; Goodfellow—$13.5 million; Keesler—$28.5 million. Based on these factors, one can logically assume that Chanute would be recommended for closure by the Base Closure Commission, and the infrastructures at the other TTCs are better able to handle increased training loads.

While I have not visited the Technical Training Centers in the past year, my primary responsibility as the Deputy Chief of Staff, Programs and Resources (AF/PR) is to develop Air Force programs to effect the use of available resources for the optimum posture of all aerospace operating and support forces. I am also responsible for managing base use, realignments, and force beddown of active, Air Force Reserve, and National Guard forces world-wide.

BASE CLOSURE #6

Senator DIXON. The fiscal year 1990 Program Objective Memorandum (POM) projects an enlistee accession level of 59,800 in fiscal year 1993. The accession level was 40,000 in fiscal year 1988. What is the basis for this 50 percent increase in training?

General MCCARTHY. Due to a shortfall of approximately $500 million in the fiscal year 1988 Military Personnel Appropriation (MPA), the Air Force made the decision to reduce enlisted end strength to 467,000 vice the congressionally authorized figure of 485,000.

One of the primary means of meeting this reduced end strength was to reduce accessions.

The actual accession level for fiscal year 1988 was 40,000, which was the lowest level in Air Force history.

Had it not been for the MPA shortfall, the actual accession level would have been higher (very likely close to the projected level of 59,800 for fiscal year 1993). Accessions in future years are primarily driven by retention rate of personnel on active duty, reenlishment within special career fields, and availability of funds for Military Personnel Appropriation.

Senator DIXON. Was this increase included in the requirements calculation which suggested that one Technical Training Center could be closed? Will this increase require further expansion of the reduced training center base structure, and at what cost?

General McCarthy. The Air Force did not determine that one Technical Training Center could be closed. Only the Commission can answer as to whether or not the accession increase was considered. However, the projected level of 59,800 can be met with the four remaining bases. Although additional military construction may be required, none is presently programmed and no additional cost is projected.

QUESTIONS SUBMITTED BY SENATOR SAM NUNN

Senator Nunn. Mr. Stone, section 2819 of the National Defense Authorization Act for 1989 directed the establishment, within 30 days of enactment, of an Interagency Commission to screen excess military property for potential reuse as minimum security prisons and drug rehabilitation centers. The first report of this body was to be sent to the President and the Congress by October 1, 1988. To the best of my knowledge, this committee has not received this report. Can you update me on the status of the Commission and its review.

Mr. Stone. An Executive Order (EO) establishing the Commission and designating DOD as the lead agency was drafted and sent to the Office of Management and Budget for review in October 1988. The EO was reviewed by the other Executive Agencies with no major changes recommended. It was forwarded to the White House on February 24, 1989 for signature. The EO was subsequently returned to OMB for revision to include facilities for shelters for the homeless and has not been returned to the White House as yet. Notification will be made to the committee as soon as it is signed.

ILLEGAL DRUGS

Senator Nunn. Mr. Stone, as you know, this Nation is facing a crisis because of the influx and use of illegal drugs. Our prison system at the Federal, State and local levels is being inundated with convicted drug dealers and users. On the demand side of the equation, many citizens, whether convicted or not, do not have access to drug addiction treatment which they badly need if they are to alter their behavior. I am disappointed that the Reagan and Bush administrations are so slow to move forward with this initiative. Have Mr. Bennett, the Drug czar, and the Justice Department become involved in this initiative? When do you estimate that the Commission will be in business and provide the Congress its first report on this important matter?

Mr. Stone. We have been working with Mr. Bennett's staff and Bureau of Prisons' Director, Michael Quinlan, in an attempt to find a location for a detention facility in the National Capital area. In addition, their agencies will be represented on the Alternative Use Commission. The Department of Defense is ready to move out on this initiative as soon as the Executive Order establishing the Commission is signed. We have been in constant contact with the Departments of Health and Human Services and Justice on this issue and expect to issue the Commission's first report in the timeframe specified in the EO.

BASE CLOSURE #1

Senator Nunn. General McCarthy, does your service currently have excess military properties, either portions of bases or entire installations, which are excess to the service's needs a awaiting disposal? Are any of these properties suitable for reuse as a minimum security prison or a drug rehabilitation center? If so, how soon could these properties be made available for these purposes?

General McCarthy. The properties listed below have been reported to the General Services Administration (GSA) and are in some phase of the disposal process.

Installation	Land with improvements (acres)	Land without improvements (acres)
Alabama: Maxwell Storage Annex	7	
Alaska:		
Fort Yukon Radio Relay Site	129	
Elmendorf AFB		95
California: Camp Kohler	30	
Colorado: Lowry AFB		20
Guam: Various sites	1,680	

Installation	Land with improvements (acres)	Land without improvements (acres)
Florida:		
Eglin AFB		512
Richmond AFS	46	
Georgia: Robins AFB	70	
Kansas: McConnell AFB	11	
Massachusetts: North Truro AFS	130	
Michigan:		
Calumet AFS	111	
Port Austin	114	
North Dakota:		
Finley AFS	69	
Minot AFS	117	
New Jersey:		
Gibbsboro AFS		22
McGuire AFB		30

We understand the Office of Housing Urban Development (HUD) has determined that some of these properties might be suitable and available to assist the homeless pursuant to the Stewart B. McKinney Homeless Assistance Act. Other interested agencies would require an on site inspection to determine if these properites meet their qualifications. Due to the many environmental issues not yet resolved, the GSA cannot forecast disposal timing. For further information, contact: General Services Administration: Mr. John V. Neale, Jr., Assistant Commissioner, Real Estate Policy and Sales, 202-535-7084.

BASE CLOSURE #2

Senator NUNN. From your knowledge of the installations which the Base Closure Commission has identified for closure, which in your view could be reused for these purposes? Could you provide for the record your assessment of the suitability of your service's closure candidates for these purposes and the date when you expect that these installations will be available for such reuse? Please include in your assessment any anticipated reaction by the local communities to this potential reuse.

General MCCARTHY. Each of the surrounding communities near proposed Air Force closure sites have formed citizens' groups to begin planning reutilization. Several of these groups have begun initial reuse planning; however, citizens in affected localities are waiting to see what action the Congress will take on the Commission's recommendations.

While approximate dates for closure are known, no set dates have been expressed by reutilization committees. Some property disposal may begin at Pease AFB, NH, in early 1990 on small tracts of land near the base perimeter. However, the bulk of property transferral will not occur until 1991 at Pease AFB. Other Air Force closure sites at George AFB, CA, Mather AFB, CA, Norton AFB, CA, and Chanute AFB, IL, will become available for reutilization in the 1992 to 1994 timeframe.

None of the affected communities have proposed any initial planning that reflects a desire for another large federal facility coming in to replace the Air Force. Initial feedback on the subject of a federal prison or drug rehab center being located on former base property reflects some concern for this reuse in the communities.

PROPERTIES FOR PRISON OR DRUG REHABILITATION CENTER

Senator NUNN. Admiral, does your service currently have excess military properties, either portions of bases or entire installations, which are excess to the service's needs and awaiting disposal?

Are any of these properties suitable for reuse as a minimum security prison or a drug rehabilitation center?

If so, how soon could these properties be made available for these purposes?

From your knowledge of the installations which the Base Closure Commission has identified for closure, which in your view could be reused for these purposes?

Could you provide for the record your assessment of the suitability of your service's closure candidates for these purposes and the date when you expect that these installations will be available for such reuse?

Admiral **Doebler**: The Navy has four parcels of excess property awaiting disposal, as follows:

	Acres
MCAS Cherry Point, Havelock, NC	10+
Camp Smith, Oahu, HI	13+
Libertyville Training Site, Libertyville, IL	116+
Naval Research Office, Pasadena, CA	0.4+

The property in Pasadena is a 20,000 SF office building which is structurally unsound and requires users to preserve its historic features; the other properties are parcels of land. Except for the possible incompatibility with existing adjacent land uses and associated adverse public response, we know of no reason to preclude use of any site for a minimum security prison or drug rehabilitation center. These properties are available upon completion of surveying and testing for the absence of hazardous materials.

Of the seven naval activities recommended for closure or realignment, the following offer the potential for reuse as a minimum security prison or drug rehabilitation center.

	Acres
Naval Station New York (Brooklyn)	40+
Naval Station Puget Sound (Sand Point)	30+
Naval Reserve Center Miami (Coconut Grove)	3+

The Naval Station New York and the Naval Reserve Center Miami were recommended for complete closure while the Naval Station Puget Sound will be realigned with consolidated functions resulting in a smaller naval station.

The Naval Reserve Center Miami, which includes a 10,000 SF building in an exclusive neighborhood, is expected to be available in 1991. Developers have already made unsolicited offers for the property. We would anticipate an extreme negative reaction from the surrounding community to any proposal for adaptive re-use as prison or drug rehab center.

Naval Stations New York and Puget Sound will require construction of replacement facilities in order to implement the Commission's recommendations. The functions currently located at Brooklyn will be relocated to the new Naval Station under construction at Staten Island. The realignment of Sand Point will require construction of replacement facilities at the new Naval Station under construction at Everett. The Brooklyn site includes approximately 40 acres and 700,000 SF of facilities. The realignment of Sand Point entails consolidation of functions into existing facilities and excessing of approximately 30 acres which includes some facilities. Use of either site for a prison or drug rehabilitation center could produce some adverse reaction from the surrounding community.

While the Navy is still formulating its plans for implementing the base realignment and closure recommendations, these plans hinge on the availability of funds to construct replacement facilities for those lost to closure and realignment. The current estimates for construction are $76 million for New York and $92 million for Pudget Sound. Without these funds, the Navy will be unable to provide the necessary facilities to allow vacation and excessing of property. The Navy is requesting these funds in fiscal years 1990 and 1991. Allowing for construction and relocation, excess facilities could be available in the fiscal year 1995 timeframe.

EXCESS MILITARY PROPERTIES

Senator **Nunn**. General Williams, does your service currently have excess military properties, either portions of bases or entire installations, which are excess to the service's needs and awaiting disposal? Are any of these properties suitable for reuse as a minimum security prison or a drug rehabilitation center? If so, how soon could these properties be made available for these purposes?

From your knowledge of the installations, which the Base Closure Commission has identified for closure, which in your view could be reused for these purposes? Could you provide for the record your assessment of the suitability of your service's closure candidates for these purposes and the date when you expect that these installations will be available for such reuse.

Please include in your assessment any anticipated reaction by the local communities to this potential reuse.

General **Williams**. Excess military properties are reported to the General Services Administration (GSA) for disposal. Your questions concerning properties awaiting disposal should properly be addressed to that agency. I would not want to speculate as to the suitability of these properties for reuse as minimum security prisons or drug rehabilitation centers. I believe that must be determined by the experts at the Justice Department and other appropriate Federal and State agencies. With respect to the current excess properties, the GSA would dispose of them in accordance with the Federal Property and Administrative Services Act and the Federal Property Management Regulations which prescribe in detail the procedures for transfer of excess and disposal of surplus Federal property. In addition to the Federal Property Act, there are a number of public benefit statutes that authorize GSA to transfer surplus Federal property to various public agencies and nonprofit institutions. At least one of these statutes pertains to correctional facility needs. Properties that have been declared excess to GSA would be available upon completion of GSA responsibilities under the Federal Property Act.

In the case of base closure properties, the same procedures apply except that the Army rather than GSA will be disposing of the property. For the base closure properties, the Army has already initiated the statutory process requiring environmental studies and excessing of Federal property. Initial screening of the property with the Justice Department and other Federal agencies will begin in a few weeks. However, any significant base closure property would not be available for several years because the Army must complete environmental studies/cleanup and relocate missions/people before we can dispose of the property.

Local communities have already formed, or are in the process of forming, local organizations to plan the reuse of the property on closed military bases. The Army working in conjunction with the DOD Office of Economic Adjustment is encouraging this approach as the most effective and quickest way to gain economic reuse of these properties. The Base Closure and Realignment Act requires that the Army consider local reuse plans prior to disposal of the base closure properties.

With regard to requirements for minimum security prisons or drug rehabilitation centers, the Army would strongly encourage the Justice Department and other appropriate Federal and State agencies to work with these local reuse organizations to determine if their requirements could be accommodated in the community reuse plan.

QUESTIONS SUBMITTED BY SENATOR TIMOTHY E. WIRTH

ENVIRONMENTAL RESTORATION COSTS

Senator WIRTH. What is the Defense Department's current estimate of the costs of environmental restoration activities associated with the actions recommended by the Defense Secretary's Commission on Base Realignment and Closures?

Mr. STONE. We do not have a precise estimate as to how much the environmental clean-up cost will be at these installations. As we get into the detail planning stage at each base, these environmental clean-up costs will be determined. These costs can be substantial. Current estimated costs are at least $500 million based upon investigatory work underway at this time.

ENVIRONMENTAL RESTORATION SCHEDULE

Senator WIRTH. What is the current schedule for the environmental restoration actions on the installations recommended for closure or realignment?

Mr. STONE. Investigatory and remedial action required for environmental restoration must be done in accordance with applicable law and regulations, and therefore, follow a defined process. All of the activities listed in the Base Closure and Realignment Report will have an on-site preliminary assessment completed during this fiscal year. The major installations are already past the assessment phase and are well into the investigatory process. The major uncertainty with developing precise schedule estimates is because: there remain many remedial investigations to complete, which will indicate the number of sites actually requiring clean-up; in some cases clean-up standards have not been determined; and agreements for remedial action at installations have not been reached with the regulatory agencies.

ENVIRONMENTAL RESTORATION FINANCING

Senator WIRTH. How will the environmental restoration costs for these bases be financed? Will these costs be paid from the base closure account or from the environmental restoration, defense account?

Mr. STONE. Actual environmental clean-up funding may come from several sources. The clean-up of contamination will be accomplished under the Environmental Restoration Program, using funds provided by Congress for that purpose. However, if clean-up of contamination is inconsistent with environmental worst-first priorities or involves other activities, such as an operating facility under the Resource Conservation and Recovery Act, then these clean-ups may be funded from the base closure account.

ENVIRONMENTAL RESTORATION COSTS

Senator **Wirth**. Did you include environmental restoration costs in your request for $500 million to capitalize the base closure account in fiscal year 1990 and fiscal year 1991?

Mr. **Stone**. The fiscal years 1990/1991 budget request was put together for President Reagan's budget before the Commission's report was released. Without knowing what the Commission's recommendations would be, a best guess estimate for construction and operations and maintenance costs (movement of people and equipment) was developed.

ENVIRONMENTAL RESTORATION ACTIVITIES

Senator **Wirth**. Will the environmental restoration activities at the bases recommended for closure or realignment delay restoration activities at other DOD bases that would otherwise have a higher priority under the Installation Restoration Program?

Mr. **Stone**. Actual environmental clean-up from past hazardous waste activities will be accomplished under the environmental restoration program, using funds provided by the Congress for that purpose. When base closure locations or timetables are not consistent with worst-first priorities or clean-up involves other activities not eligible for the Defense environmental restoration account, then the base closure account may be used. Therefore, base closure environmental restoration should not impact priorities under the Installation Restoration Program.

Senator **Wirth**. What impact will the environmental restoration activities have on the timely disposal of excess property on the bases recommended for closure or realignment?

Mr. **Stone**. The true impact of restoration activities cannot be determined until remedy selection is complete and agreement reached with the regulatory agencies. Certain actions, such as ground water pump and treatment, can take 5 to 10 years to complete. It is important to realize that the entire environmental costs associated with transfer of these installations to the private sector do not have to be funded prior to shut down of DOD activities. In short, we can "close" these bases and benefit from the operational savings without having to simultaneously fund all environmental requirements which may be associated with property transfer.

[Letter submitted for the hearing record:]

Department of the Army,
Headquarters, Fourth United States Army and Fort Sheridan,
Fort Sheridan, IL, December 15, 1988.

Reply to attention of: Office of the Chief of Staff

Hon. Alan J. Dixon,
U.S. Senate, Washington, DC.

Dear Senator Dixon: On December 9th we were privileged to have Vice Admiral William H. Rowden visit us to learn first hand about Fort Sheridan on behalf of the Commission. Our presentation was carefully structured to present the complete importance of Fort Sheridan. Lieutenant General Frederic J. Brown. Commanding General, Fourth Army, asked that I provide you what Admiral Rowden received. Precis follows:

Fort Sheridan meets the critical need for a professional active component presence in the upper Midwest, an area with a large reserve component force density. The central position of Fort Sheridan astride major air and ground lines of communication facilities command and control. Fully 53% of the 773 units in Fourth Army are within two hours driving time of Sheridan, including more that 35% of our high priority D to D+30 units, and 12 of our 28 General Officer command headquarters. Although a recent DoD IG report states that Fort Sheridan's facilities are fully utilized, we are looking at how we can expand to accommodate severely overcrowded USAR units in Chicagoland now occupying very expensive leased facilities. In fact, should either Fourth Army or USAREC relocate out of Fort Sheridan, there would be an immediate, absolute need to backfill facilites with USAR units to reduce lease costs and alleviate overcrowding.

The FORSCOM missions of Land Defense of Continental United States, Military Support to Civil Defense, and Military Assistance to Civil Authorities require planning, rehearsals, and regional conferencing to Fourth Army can be ready to assume its Command of Joint Task Force Northern Defense Command during emergency situations. Again, Fort Sheridan's central location meets the Northern Defense Commander's critical regional needs for command, control, and coordination with other services, the Federal Emergency Management Agency (FEMA), and civil regional planning agencies who have chosen to locate in Chicago.

Equally important is the rapidly growing role of Fort Sheridan as a regional training facility for the reserve component. Fort Sheridan is providing critical equipment, facilities, and a community of trained instructors/mentors to assist RC warfighting competency enhancement programs. As the need for training increases, and OMAR funding available to send soliders farther away to train decreases, we see a growing requirement for regional training facilities such as we are developing here at Fort Sheridan. For example, more than 125,000 mandays of RC training has been conducted at Fort Sheridan and its sub-posts this training year. That was a 300% increase over TY87, and the number is projected to triple again in TY90.

Active component support efforts provided by Fort Sheridan include RC Combined ARMS and Services Staff School (CAS3) courses; home basing a regional Maneuver Exercise Command (MEC) as well as a Training Exercise Detachment (TED) with the Sheridan Readiness Group to meet a critical need for better multi-echelon structured training in nearby RC units; providing billeting on post for RC soldiers while they undergo technical training or tactical field training at nearby training areas within the two-hour travel rule; and developing various areas at Fort Sheridan for Battle Command Training Program (BCTP) simulation, Command Post Exercise (CPX), and Command Field Exercise (CFX) Training.

Admiral Rowden indicated that our briefing was enlightening, and provided exactly the kinds of vital data the Commission requires for considered judgments. We have provided copies of the presentation to two other members of the Commission, Former Secretary of the Army Martin R. Hoffman, and Retired Army General Donn A. Starry.

Because of your interest in Fort Sheridan, I am enclosing the briefing and materials given to Admiral Rowden. Should you need more information, we are prepared to bring the entire briefing to you, or, if your time permits we would be delighted to host you for a visit.

Respectfully,

DAVID E.K. COOPER,
Brigadier General, U.S. Army Chief of Staff.

[Whereupon, at 4:12 p.m., the hearing adjourned.]

BASE REALIGNMENT AND CLOSURE

WEDNESDAY, APRIL 12, 1989

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON READINESS,
SUSTAINABILITY AND SUPPORT,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:36 a.m., in room SR-222, Russell Senate Office Building, Senator Alan J. Dixon, (chairman of the subcommittee) presiding.

Committee members present: Senators Dixon, Thurmond, Gorton and Coats.

Professional staff members present: Robert E. Bayer and David S. Lyles.

Minority staff members present: Romie L. Brownlee, deputy staff director for the minority; Ronald P. Kelly and George W. Lauffer, professional staff members.

Staff assistant present: Mary J. Kampo.

Committee members' assistants present: William J. Lynn, assistant to Senator Kennedy; Charles C. Smith, assistant to Senator Dixon; Robert M. Soofer, assistant to Senator Gorton; and Eric H. Thoemmes, assistant to Senator Coats.

OPENING STATEMENT OF SENATOR ALAN J. DIXON, CHAIRMAN

Senator DIXON. The subcommittee will come to order.

Ladies and gentlemen, this morning marks the fifth hearing by the Senate Armed Services Committee on the recommendations of the Defense Secretary's Commission on Base Realignment and Closure. The full committee heard testimony from former Defense Secretary Frank Carlucci and the Base Closure Commissioners. This subcommittee heard further testimony from the executive director of the Commission and from representatives of the Department of Defense and the military services.

Today we will hear from the General Accounting Office. Shortly after the Secretary of Defense elected to approve the Commission's recommendations, Senators Nunn and Warner, joined by Congressmen Aspen and Dickenson, asked the Comptroller General to review the Commission's work. Specifically, the GAO was asked to examine the process used by the Commission to assess installation requirements and military value, the criteria used to select bases for closure or realignment, the projected costs and savings associated with these actions, and costs for environmental restoration.

Senator Thurmond has submitted a prepared statement for the record which shall be included at this time.

[The prepared statement of Senator Thurmond follows:]

PREPARED STATEMENT BY SENATOR STROM THURMOND

Mr. Chairman: When Secretary Carlucci chartered the Commission on Base Realignments and Closures, he did so with the understanding that the Commission faced a difficult and challenging task. In view of this demanding charter, the members of the Commission were chosen for their broad experience both in and out of Government.

Based on the information presented to this subcommittee during past hearings, I feel the Commission did an admirable job considering the time constraints they faced in completing their report. The Commission used its judgment and expert opinion in arriving at a list which, in their unanimous judgment, met the guidelines of their charter.

Mr. Chairman, I look forward to Mr. Conahan's testimony. However, in the final analysis, I believe the Commission's overall conclusions will stand as presented in its report.

Thank you Mr. Chairman.

Senator DIXON. Today we welcome Mr. Frank Conahan, Assistant Comptroller General for National Security and International Affairs, to explain the GAO's findings.

I should say that we are aware that the GAO has not completed its work. Is that correct, Mr. Conahan?

Mr. CONAHAN. That is correct, Mr. Chairman.

Senator DIXON. Its focus has been a broad analysis rather than an in-depth review of any specific action. I take it that is correct?

Mr. CONAHAN. That is correct, Mr. Chairman.

Senator DIXON. Mr. Conahan, I want you to know I appreciate that your auditors have been working very hard to provide even these preliminary findings, so please pass on the committee's appreciation for the timely work that your folks have done. We welcome you and look forward to your testimony.

I might say, Mr. Conahan, the general pattern that occurs here is that subcommittee members kind of wander in and out from time to time. We will have a 10-minute rule after you have finished, and I am sure there will be other Senators who will arrive from time to time and ask you some questions.

I appreciate very much the fact that you could be here this morning. Thank you.

STATEMENT OF FRANK C. CONAHAN, ASSISTANT COMPTROLLER GENERAL FOR NATIONAL SECURITY AND INTERNATIONAL AFFAIRS, U.S. GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY KAREN ZUCKERSTEIN, ASSISTANT DIRECTOR, MANPOWER AND LOGISTICS ISSUES, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, GENERAL ACCOUNTING OFFICE; AND BILL WRIGHT, GAO EVALUATOR, NATIONAL SECURITY AND INTERNATIONAL AFFAIRS DIVISION, GENERAL ACCOUNTING OFFICE

Mr. CONAHAN. Thank you, Mr. Chairman. We appreciate the opportunity to be here. I have introduced my colleagues to you. Let me introduce them to the rest of the room: Karen Zuckerstein on my right, and Bill Wright, who have been very closely associated with this body of work since we began in January.

As you said, we are at a preliminary stage in our work, but I think that we are in a position to provide information to the subcommittee which will be useful in its further deliberations.

As you know, Mr. Chairman, the Commission methodology consists of two phases. In Phase 1 they categorized bases and then determined the military value of bases within each of those categories. From there they went on to Phase 2 where they took a look at the costs and savings associated with bases that were candidates for closure or realignment.

I think that the Commission's fundamental approach was one consistent with its charter and, second, provided a generally good basis for making recommendations for closure and realignment. I do, however, have some observations that I would like to lay before the subcommittee based on the work that we have done to date. These relate to:

One, the appropriateness of the military value evaluation and the accuracy of the data used in coming up with those evaluations;

Two, the fact that savings are dependent on personnel reductions;

Three, the soundness of the model used to project costs and savings;

Four, the exclusion of certain costs from the analyses; and

Five, the completeness and accuracy of some base specific data. I think that this would be very helpful at least in taking a look at how representative our data is of the overall methodology.

Let me deal with the appropriateness of the Phase 1 evaluation that was made by the Commission. We believe that it is appropriate and represents an important contribution. The Commission's approach allows for a realistic and in-depth analysis of the military base structure. For example, considering the base's missions and functions is a more useful approach than merely costing out closure of bases that have appeared on prior closure lists. There has been some suggestion that this was part of the methodology. We found no evidence that they simply went to a prior closure list but, rather, followed the methodology that they came up with.

We did look at two categories of bases, the Army training centers and Air Force technical bases, to test the Commission's Phase 1 process. We found that the analysis of the Army training centers, which includes Fort Dix, was based upon erroneous data. These errors——

Senator DIXON. Excuse me. They did what, Mr. Conahan?

Mr. CONAHAN. They used erroneous data with respect to the military value analysis they did of Fort Dix. Had they used corrected data in the relative ranking of bases in that category, that base would have been elevated to number one. As it stood, it came out very close to the bottom, seventh of eight bases in that category. That would have been a very substantial change in the ranking of that particular base in that category.

With respect to Air Force technical training bases, which includes Chanute Air Force Base which of course is of some particular interest to you, we found problems there both in methodology and weaknesses with respect to data. We have not yet reached a final conclusion as to what those weaknesses do to the relative ranking of Chanute within that category, but during the question and answer period I think we can develop some interesting information in that respect.

A fair amount of the savings associated with the Commission's recommendations had to do with reductions in military and civilian personnel at closing bases. It was quite substantial. As a matter of fact, it was 84 percent for the bases that we looked at.

Although the savings represent base level savings in a real sense, some decision still needs to be made as to whether those folks are going to come out of the force structure or whether they would be reallocated within the services. I think that is something that perhaps this committee as well as the House Armed Services Committee would want to talk with the Department of Defense about.

The next item has to do with the cost model itself. We think that it provided a good basis for reaching some of the conclusions that they did. However, we found that there were some problems with respect to the input of data into the model, and we can discuss those during the question and answer period.

Also, they excluded certain costs which we thought they should have included in determining the savings. These were economic impact costs which for the most part are non-DOD costs, although there are some DOD costs such as the housing assistance program. They were not included in the computation.

Environmental costs were also excluded with respect to bases that were being closed or realigned. Since the Commission's report, the services and the Department of Defense have been developing estimates of environmental costs. Very recently the services provided the Deputy Assistant Secretary of Defense for Environment with estimates relating to these cleanup costs. The numbers that I have here total $674 million. About $10.1 million was for the Navy, $115.1 million for the Air Force, and $548.5 million for the Army.

Now that latter number does not include all of the costs associated with the bases recommended for closure and alignment because they did not include all of the costs associated with the Army's Alabama ammunition plant and the Jefferson Proving Ground. As a matter of fact, the Jefferson Proving Ground estimate is about $250 million, which is rather substantial.

The Army included in the numbers that I gave you and that they provided to the Office of the Secretary of Defense some $57 million for cleaning-up some unspecified portion of the Jefferson Proving Ground. We have not been able to determine yet precisely what that portion is.

Finally, our review showed that there were some problems with the completeness and the accuracy of the data that was used. I mentioned a few moments ago accuracy problems with respect to Phase 1. We found some similar problems in Phase 2. For example, we found that some of the Commission's assertions for George AFB were not quite accurate. On the other hand, we found that most of what the Commission asserted about Norton AFB was quite accurate. So you had it on both sides.

In closing, I would like to emphasize that the issues I have discussed and the questions I have raised about the Commission's work are not intended at this point to imply disagreement with the Commission's overall conclusions. We have more work to do before we can reach that overall assessment. Our aim today is to provide a basis for you to examine those areas which you will be pursuing.

Mr. Chairman, we will take your questions.

[The prepared statement of Mr. Conahan follows:]

STATEMENT OF
FRANK CONAHAN, ASSISTANT COMPTROLLER GENERAL
NATIONAL SECURITY AND INTERNATIONAL
AFFAIRS DIVISION

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss our ongoing evaluation of the methodology, findings, and recommendations of the Defense Secretary's Commission on Base Realignment and Closure. We are doing this work at the request of the Chairmen and Ranking Minority Members of the House and Senate Committees on Armed Services.

We initially selected a sample of bases for our analysis--that is, the eight bases that represent almost 85 percent of the Commission's estimated savings and one Navy base, so we would have coverage across all military departments. These installations are Pease Air Force Base, New Hampshire; Fort Dix, New Jersey; Fort Sheridan, Illinois; Chanute Air Force Base, Illinois; the Presidio of San Francisco, California; George Air Force Base, California; Mather Air Force Base, California; Norton Air Force Base, California; and the Hunters Point Naval Station, California.

To more fully assess the Commission's methodology, we recently added the following bases to our analysis: Lexington Army Depot, Kentucky; Jefferson Proving Ground, Indiana; Fort Meade, Maryland; Fort Holabird, Maryland; Fort Devens, Massachusetts; and Fort Huachuca, Arizona. Since our work on these recommended closures and realignments has just started, we will not be addressing realignment and closure issues at these bases in our testimony today.

To date we have performed work at the Department of Defense (DOD), the Commission, all bases in our original sample and other selected bases, some major military commands, and some federal and local government agencies. We still have additional work to do; therefore, we can provide only preliminary observations today.

Before presenting our observations, let me briefly describe the Commission's process. It used a two-phased approach to evaluate bases for realignment and closure. The phase I analyses grouped bases into a number of categories then focused on determining the military value of bases within each category and each base's capacity to absorb additional missions and forces. The Commission obtained a great deal of pertinent information from the military services. We were told by Commission staff that the Commission then worked with the services to identify and rank bases warranting further review. The phase II analyses focused on assessing the cost and savings of base realignment and closure options. These phases are discussed in attachment I.

PRELIMINARY OBSERVATIONS ON THE COMMISSION'S WORK

The Commission and its staff have accomplished difficult and complex work in a limited time frame. Further, its approach seems generally consistent with its charter. We do, however, have some preliminary observations on the Commission's work. These relate to (1) the appropriateness of military value evaluations and the accuracy of the data used, (2) savings being dependent on personnel reductions, (3) the soundness of the model used to project costs and savings, (4) the exclusion of certain costs from the analyses, and (5) the completeness and accuracy of some base-specific data.

Evaluation of Military Value Appropriate But More Validation of Data Needed

The Commission's emphasis on military value as the basic criterion for assessing the base structure is appropriate and represents an important contribution as to how base closure decisions are approached. We believe this approach allows for a realistic and in-depth analysis of the military base structure. For example, considering a base's missions and functions is a more useful approach than merely costing out closure of bases that have appeared on prior closure lists. Also, the Commission's efforts to enhance mission efficiency by realigning similar forces at a base has the potential to enhance readiness and provide for better command, control, and mobilization for future contingencies.

We have reviewed two categories of bases--Army training centers and Air Force technical training bases--to test the Commission's phase I process. We found that in the analysis of Army training centers, which includes Fort Dix, erroneous data were used. These errors affected the relative ranking of bases. Had accurate data been used, Fort Dix would have ranked first of eight bases in the category rather than seventh. In the case of Air Force technical training bases, which includes Chanute Air Force Base, we identified errors in the data used as well as weaknesses in the methodology. We have not yet determined the effect of these errors and weaknesses on Chanute's ranking relative to the other bases in the category. These issues are discussed in detail in attachment II.

Savings Highly Dependent on Personnel Reductions

The Commission estimated that its base realignment and closure recommendations, when implemented, should lead to an annual savings of $694 million. It is important to recognize that much of these estimated savings result from large reductions in military and civilian personnel at closing bases. For example, the Commission estimated that closing the five Air Force bases included in our sample would result in annual savings of approximately $381 million. About $320 million (84 percent) of these savings result from reductions of about 9,600 personnel. Overall, the Commission estimated that its recommendations would result in eliminating 7,748 civilian and 12,889 military positions.

Although the savings from eliminated positions at the base level would be real, savings in the DOD budget would not actually occur unless there is a corresponding reduction in authorized personnel ceilings. We think it is important that the Committees on Armed Services work with DOD to decide whether military strength should be reduced or positions should be reallocated to fill other needs.

Cost Model Conceptually Sound But Contains Errors

The Commission developed a cost model to evaluate and compare various base closure and realignment options. Each of the services developed a model based on the Commission's model. We are currently reviewing the Air Force and Army models. Our work will also include a verification of the standard factors (e.g., salaries and overhead) used in the models. Our initial evaluation of the Commission's cost model indicates that it is a reasonable method for comparing the costs and savings associated with realignment and closure options. However, the model does not use nor does it provide budget quality cost estimates.

The model provided the Commission with a consistent conceptual framework for its cost analyses and it was sufficiently flexible to accommodate differences among the services and types of bases. However, under the tight deadlines facing the Commission, the model was not carefully checked for errors in its formulas or omissions of data. We found a number of errors in the model's worksheets. For example, the Air Force version of the model overstates the construction costs at gaining bases in the first year and understates the cost in the following 4 years. Therefore the model overstates the cost to close some bases.

In the Army's version of the model, some costs were excluded. For example, costs for the support of reserve units remaining on selected bases and for family housing that will remain open were omitted. Including these costs will result in less savings than estimated.

In addition, model computations include a market value for resale of the bases. Available data suggest that for many bases, the Commission underestimated the fair market value of the installations. At the same time, it should be recognized that laws governing the disposal of surplus property allow the bases to be made available for other government or social purposes, in some cases at less than fair market value. Therefore, the amount of revenue DOD will realize is uncertain.

Analyses Excluded Certain Costs

The Commission's methodology excluded some potential closure or realignment costs. The Commission was required to consider the economic impact on the community where a base recommended for realignment or closure is located. However, the Commission decided not to consider certain DOD and other federal government costs associated with the socio-economic impact of the closures in calculating the savings that would result from realigning or closing a particular base, since it believed these costs would be minimal. Such costs include expenditures for welfare, unemployment compensation, community adjustment assistance, and mortgage assistance provided under the homeowners assistance program.

The only data we have concerning these costs relate to the homeowners assistance program. Officials from DOD's homeowners assistance program provided us with a rough estimate of $129 million to operate the program for fiscal years 1989 through 1995. Given subsequent sales of homes, these officials estimate that the ultimate net loss to the government will be about $35.8 million.

Other potential costs, such as the transfer of operating and maintenance costs to other Federal agencies, were not considered.

For example, if the Presidio is closed, most of the land and buildings would be transferred to the National Park Service. The Park Service estimates that its annual Presidio operating and maintenance costs will be about $17 million. This is in addition to what the tenants occupying Presidio facilities will pay for their own operating and maintenance expenses.

Still other costs such as environmental cleanup costs were not considered. The Commission decided not to consider the cost of environmental cleanup in deciding how much savings would result from realigning or closing a particular base, because DOD is ultimately responsible for such cleanups. It did, however, consider environmental mitigation costs, such as costs to increase the capacity of water or sewage treatment systems at receiving bases.

Since publication of the Commission's report, DOD and the services have been working to more accurately specify the environmental impact and estimate costs for environmental cleanup of bases recommended for realignment or closure. Recently, the services provided the following environmental cleanup cost estimates for the bases totaling about $674 million to the Office of the Deputy Assistant Secretary of Defense for Environment: about $10.1 million for the Navy, $115.15 million for the Air Force, and $548.5 million for the Army. The Army's estimate does not include all of the costs associated with cleaning up the Army's Alabama Ammunition Plant and Jefferson Proving Ground to unrestricted use. If this were done, the Army's estimate would be $814.3 million.

We were told that cleaning up the Jefferson Proving Ground for unrestricted use could cost $250 million. However, Army officials said they only plan to restore a portion of the site for unrestricted use during the base closure time frame at a cost of $57 million. The services characterized the estimates as current best guesses and subject to change. They added that many environmental studies and tests have yet to be performed or completed. The Army also noted that cleaning up lands for completely unrestricted use might not be required in all cases and that holding portions of bases for later cleanup is an alternative.

Although DOD is ultimately responsible for environmental cleanup costs, the potential for accelerating cleanup because of either alternate government use of the land or sale to commercial groups could be significant.

Completeness and Accuracy of Data

Our discussions with base personnel, major commands, and other government agencies indicated that the Commission may have made its recommendations for realignments and closures based on incomplete and inaccurate data. We have already discussed the accuracy of the phase I analysis for two bases and we have additional base specific observations. For example, one of the reasons why the Commission recommended George Air Force Base for closure was the increasing air traffic congestion in the vicinity of the base. However, according to base officials and representatives of the Federal Aviation Administration, there is no current air traffic congestion problem around George.

Our evaluation has confirmed that some of the data used by the Commission that had been questioned were, in fact, correct. For example, some of the reasons why the Commission recommended closing Norton Air Force Base were air traffic congestion and inadequate facilities. Our discussions with base officials and review of base records indicate that air traffic congestion is a problem at Norton because the base shares the same final approach as nearby Ontario Airport, resulting in very heavy air traffic in the area. Also, Norton does have a number of facilities that are substandard and outdated. I have included additional base specific information in attachment III.

Commission and DOD officials acknowledged that data and individual cost factors could vary. However, they emphasized that it was the Commission's goal to (1) apply military value as the primary criterion and determine if, in the categories examined, there was excess capacity, (2) perform a comparative analysis among bases in each category, and (3) recommend a list of bases for closure or realignment. This, they said, requires informed, subjective assessments. They also indicated the need to consider whether the list as a whole is reasonable, rather than discussing specific bases.

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In closing, I need to emphasize that the issues I have discussed and questions I have raised about the Commission's work are not intended at this point to imply disagreement with the Commission's overall conclusions. We have more work to do before we will be in a position to reach an overall assessment. Our aim today is simply to respond as fully as we can to this Subcommittee's request that we discuss what we have learned in our base closure work so far.

This concludes my prepared statement. We would be pleased to answer any questions.

ATTACHMENT I ATTACHMENT I

PROCESS USED BY THE COMMISSION

The Commission used a two-phased approach to evaluate bases for realignment and closure. The phase I analyses focused on determining the military value of bases and excess capacity within a mission category. The phase II analyses focused on assessing the costs and savings of base realignment and closure options.

PHASE I ANALYSIS

Phase I sought to reduce the number of installations under consideration. The Commission considered the military value of an installation in terms of how well it met the mission-related needs of its units or activities. In this phase, the Commission provided the services with guidance and tasked them to

-- identify all bases and assign each to a mission category, such as operating troops, administrative headquarters, and tactical air operations;

-- identify physical attributes appropriate for evaluating the military value for each category, such as survivability or weather constraints;

-- assign a weight to each attribute, reflecting the value of the attribute to the mission category;

-- assess each base against its ability to meet the requirement associated with each attribute; and

-- perform an analysis of the aggregate capacity by mission category and the capability of each base to absorb additional forces.

We were told that the Commission then worked with the services to rank and identify bases warranting further review in phase II.

The following is an illustration of the process. In the tactical air base category, considerable weight was attached to base location, training range proximity, and maneuverability. Other lower-weighted factors examined included access to low-level routes; weapon facilities; the availability and configuration of runways, airfield pavements, and buildings; the quality of facilities; and the availability of housing, medical, and recreational facilities. The Air Force rated the factors and applied the weights to develop an aggregate score for each base. The bases were then arrayed from high to low military value based on these aggregated scores. In the tactical air category, the Commission identified that 10 out of 19 bases had the capacity to absorb an additional squadron-size flying mission. One base, identified by the ranking as lowest in military value, was then recommended for phase II analysis.

PHASE II ANALYSIS

In phase II, the Commission asked the services for options for realigning affected activities. The Commission then analyzed potential closure and realignment options to determine the best alternative. For example, an analysis was performed to see which realignments could potentially increase military effectiveness. In addition, major socio-economic or adverse environmental impacts were examined. Finally, a "back-of-the-envelope" cost calculation was done to ensure that the closure or realignment would pay back within 10 years.

The Secretary of Defense, in establishing the Commission, required it to consider the economic impact on the community in which a base it recommended for realignment or closure is located. To consider economic impact, the Commission held hearings to take testimony. It then decided that military value would be the primary factor in identifying bases as possible closure candidates. If two or more bases identified for closure were equal on all other factors, it would focus on a decision's impact on local employment and economic vitality. The Commission then gathered data on employment, unemployment, employment growth, and expected employment loss for communities in which bases being considered for realignment or closure are located. However, during the Commission's consideration of what bases to recommend for realignment or closure, no situation arose where the Commission decided two or more bases were equal. Thus, according to Commission representatives, economic impact was not a decisive factor in determining which bases to recommend for realignment or closure.

The Base Closure and Realignment Act exempted the Commission from the provisions of the National Environmental Policy Act. The Secretary of Defense, in establishing the Commission, however, required it to consider environmental impact in assessing bases for realignment or closure. To do this the Commission formed an environmental task group, held hearings to take testimony from environmental experts, and developed procedures requiring the military services to submit data on expected environmental impact at bases being considered for realignment or closure. According to Commission staff, the environmental impact data were used in phase II to screen bases to determine if environmental problems would occur at receiving bases. According to Commission staff, they found no environmental problems that would prohibit transferring forces to receiving bases.

The remaining realignment and closure candidates were then more thoroughly reviewed using cost models. This more comprehensive analysis of costs and savings sought to identify whether costs would be paid back within 6 years of closure.

The primary model, known as the Cost of Base Realignment Actions (COBRA) model, was developed for the Commission by the Logistics Management Institute. The model consists of a Lotus spreadsheet that automates the cost and savings calculation for each proposed realignment plan. Each service used its own customized version of the model that allowed use of service-specific standard factors for average salaries and allowances, as well as service-specific formulas for calculating overhead and maintenance cost. Each realignment option was then analyzed using information specific to the proposed closing and gaining bases.

The model accounted for one-time costs from the closure or realignment, including moving expenses and new construction at the receiving bases, and allowed for one-time revenue if the land was sold. Additionally, the model computed the permanent annual savings from reducing military and civilian personnel levels and from any changes in base maintenance and overhead expenses resulting from the move. The final calculations of the COBRA model inflated 20 years of annual costs and savings by a constant 3 percent inflation rate and then discounted the cash flows using a 10 percent discount rate to reflect the closure actions' monetary impact in constant fiscal year 1988 dollars. Under the Commission's charter, one of the criteria the Commission used for recommending base closure or realignment was whether the cost savings over a 6-year period would exceed the amount expended to close or realign a base.[1]

According to the Commission, efforts were made to review the reasonableness of data provided by the services. The Commission examined and refined the relative weighting of factors and measurements used in the military value analysis, as well as information pertaining to capacity, how moving forces would enhance missions, and cost model formulation. Base-specific data, obtained from DOD or major commands, was reviewed for reasonableness within the service headquarters and by Commission staff. Furthermore, Commission staff visited a limited number of bases to check the accuracy of data. However, to avoid premature disclosure of Commission recommendations, few of the bases targeted for closure were visited.

Our preliminary review indicates that the process provided a basis for comparing realignment and closure candidates. The Commission's final recommendations incorporated the judgment of the Commissioners.

We have identified differing evaluations of military value and cost/savings at the bases in our sample. Historically, it has been difficult to justify base closings because base-specific costs were inexact. In many cases, estimates were imprecise until actual planning for the closing began.

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[1] According to Office of the Secretary of Defense officials, the 6-year payback period was used because it represented the average payback period that was expected from the 22-base "illustrative" list that the Secretary of Defense identified in 1985. The Commission believes that payback within 6 years is not mandatory and that if current data now show a longer payback period for any one base, that would not preclude the Commission from identifying that base for closure or realignment.

OBSERVATIONS ON PHASE I ANALYSIS

Army Training Centers - Fort Dix

The Army Training and Doctrine Command (TRADOC) was responsible for assessing military value for Army training centers. Several data sources were used by TRADOC to assess military value including data submitted by the bases. We found several problems with the accuracy of the data used by TRADOC to assess military value for Fort Dix and other bases in the same subcategory.

The Army's phase I analysis included establishing physical attributes and assigning various weights to the attributes. Some of the attributes included site specificity (the base needs to be where it is), kinds and quantities of facilities, quality of facilities, and relationship to supported forces. Data on each base were then obtained and scored using a color code. Green was sufficient, yellow indicated problems, and red indicated serious problems. The Commission staff worked with the Army on the phase I analysis.

We reviewed the phase I analysis for Fort Dix and found problems with the accuracy of the data used and subsequent scoring of Fort Dix in the areas of (1) condition of facilities, and (2) amount of reserve training accomplished. Had correct data been used for these attributes, the relative ranking of Fort Dix would have changed significantly. Instead of ranking seventh in a category of eight bases, Fort Dix would have ranked first. TRADOC, Army headquarters, and Commission staff told us they nevertheless believe that placing Fort Dix in a semi-active status is a sound decision because Fort Dix is one of two bases in the category that does not have advanced specialized schools. Also, the other base, Fort Jackson, has more land than Fort Dix, which the Commission believed provided greater flexibility to meet training needs. The Commission also believed that Fort Dix would be more likely to be hampered by future encroachment.

Air Force Technical Training Centers - Chanute Air Force Base

The Commission recommended the closure of Chanute Air Force Base (AFB) because it was rated lowest in military value in terms of availability and quality of facilities, which detracted from mission accomplishment. It was determined by the Commission that consolidating current training courses at other locations could provide improved training capability in a more cost-effective manner.

Key evaluation factors covered the availability of facilities in categories related to mission such as training, administrative, maintenance and warehousing, family and bachelor housing, and medical and dental facilities. According to officials from the Air Force's Air Training Command, requirements for these elements were computed based on available facilities and planned construction (expressed in square feet). This requirement was compared against available facilities. Thus, any category in which construction was planned resulted in a deficiency being identified and a low score in that category.

We have two concerns with the methodology. First, Chanute officials identified several projects that were to replace existing facilities. As replacement facilities rather than new facilities, they should not have been counted in requirements since this represents double-counting. Second, scoring did not account for the size of deficiencies. Thus, a deficiency of 3 percent was treated the same as 20 percent. We believe it would have been more appropriate to ignore deficiencies smaller than, for example, 5 percent.

Commission and Air Force headquarters officials stated that even if corrected data for Chanute changed its ranking relative to other bases in the category, the base is still the most logical base closure candidate because the other bases have missions that would be more difficult to move.

BASE SPECIFIC OBSERVATIONS

This attachment discusses our base-specific observations. It contains revised projections of costs and savings. We expect that, as additional data become available, these projections will be refined further. I should also caution you that revised estimates of construction costs at receiving bases, as well as other base-level estimates of costs, may include "wish lists" of projects that will be eliminated as estimates are reviewed through the chain of command.

AIR FORCE BASES

Chanute Air Force Base

Data we obtained from the Air Training Command (ATC) and Chanute AFB indicate higher construction estimates for the receiving bases and fewer personnel transfers and terminations. Incorporating these data into a revised model shows a payback period of 5 years and annual savings of $60.2 million. The Commission's estimates were a 3-year payback period and $68.7 million in annual savings.

The Commission reported that the closure of Chanute AFB would have a moderate impact on local employment. However, a recently completed study by the University of Illinois has indicated large decreases in employment, sales, and income for the local area.

George AFB

The Commission identified several shortfalls at George AFB as reasons why the base should be closed. Distance to specialized training ranges was one of the problems mentioned by the Commission. The specialized training range that the Commission is referring to is the Tonopah range, run by Nellis Air Force Base in Nevada. The range is over 150 nautical miles from George.

George officials believe that the time spent flying to the Tonopah range is not "a considerable waste of time and money", as noted by the Commission, but rather is used for a variety of training exercises and instrument checks to prepare for entry into the range. Air Force headquarters officials said that time over the range is more important than time spent flying to the range. Also, These officials stated that 150 miles exceeds the optimal distance and that the longer distance is responsible for the low military value of George. Our analysis of documents received from the base shows that 27 percent of the F-4 sorties that fly out of George go to the Tonopah range, while the majority go to a range adjacent to the base.

The Commission also stated that increasing air traffic congestion in the greater Los Angeles area constrained George AFB's flight operations. In particular, they stated that the air space is congested due to traffic between Los Angeles and Las Vegas. The air space manager at George AFB contends that commercial air traffic does not interfere with their flight operations, and that their flight operations do not constrain the commercial air traffic. A Federal Aviation Administration official in Palmdale, California and an Air Force liaison to the Federal Aviation Administration concurred with the air space manager that there are no current constraints put on either George AFB or commercial traffic by the two operating in the same general area. However, according to Air Force headquarters staff, increasing air traffic in the area could cause problems in the future.

The Commission noted several other deficiencies at George, including a shortage of facilities and an inadequate water supply system. After reviewing plans for base construction projects, we noted that several projects such as training and maintenance facilities planned for the next few years, indicate a shortage of these types of facilities at George. According to a George Civil Engineering Squadron official, the water supply system is presently inadequate. The system is scheduled for replacement. Also, the base provided us with documentation showing a deficiency of bachelor housing for 617 persons.

The Commission estimated $36 million would be needed for construction at Mountain Home AFB to accommodate the missions from George AFB, while Mountain Home estimated $101 million. Tactical Air Command officials estimated costs at $82 million. However, there are no official estimates of military construction requirements as yet.

One of the concerns expressed by George officials is the amount of available family housing at Mountain Home and in the local community. They expressed an opinion that adequate housing in sufficient quantities may not be available to accommodate the increased number of families moving into the Mountain Home area. They were concerned that the lower grade enlisted personnel with families who are not eligible to live in base family housing may not be able to afford adequate rental housing within their allowances.

A Mountain Home official said that ranges and airspace will need to be expanded and upgraded to develop capability for supersonic flying, air-to-air and air-to-ground firings, and the dropping of live ordnance. Upgrades to the range at Mountain Home were planned prior to the proposed closure of George. The extent of additions to support missions moving from George is unclear. However, Air Force headquarters officials have said they plan to expand the Mountain Home range to about 900 square miles, or about six times the size of the range currently used by George. Such expansion seems in line with the Commission's beliefs that larger ranges are needed to accommodate training requirements for newer aircraft. A Tactical Air Command official confirmed that additional land and air space is needed at Mountain Home to meet existing and projected requirements, including requirements associated with the closure of George Air Force Base. He stated that this expansion would involve withdrawing some land from the public domain.

A Tactical Air Command official said an Environmental Impact Statement will be required. According to the Bureau of Land Management, the environmental impact process was initiated on February 8, 1989, with the filing of a Notice of Intent. However, this notice did not include any mention of anticipated actions concerning range expansion.

The Commission stated that the costs of closing George would be paid back immediately and annual savings would be $70.2 million. We are developing a revised estimate.

Mather Air Force Base

The cost estimates developed by the Commission show that $153 million would be needed for military construction at Beale AFB to accommodate the movement of forces from Mather. However, Commission estimates do not cover construction at McClellan Air Force Base, which would also receive forces from Mather. These construction costs have been estimated at $40 million.

The construction estimates for Beale, the receiving base for most of Mather's activities, are also subject to change. Air Training Command teams have visited Mather and Beale to survey needs and develop a more accurate estimate of construction requirements. Although we have not seen the results of this survey, we were told that the cost estimate has increased. For example, the team has found that the second runway may require purchasing 2,000 acres, rather than the 300 acres originally calculated, due to the location of hazardous wastes and waterfowl wetlands. Also, on-base dormitory space has been increased to house 500 student officers, rather than the 310 originally planned. However, the Air Force is still working on construction estimates and there are no official estimates available yet.

Closing the Mather Air Force Base hospital would also increase Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) costs. The Commission's cost model omitted eligible dependents in its calculation of increased CHAMPUS costs from closing Mather's hospital.

Personnel reductions at Mather include 500 hospital staff. However, since the release of the Commission's report, there has been a move to keep the hospital open. The Air Force has announced that a decision will be made by May 1. If Air Force personnel do staff the hospital or are distributed elsewhere in the force structure, projected savings would be lower.

We adjusted the Commission's estimate of cost savings for increases in construction and CHAMPUS costs. This changes the payback to 2 years (from 1 year) and reduces annual savings to $66.0 million (from $78.7 million).

Norton AFB

The Commission reported that "flight operations at Norton have become constrained because of increasing air traffic congestion in the Los Angeles area." Norton officials concurred that there is a great deal of air traffic in the area. Norton shares the same final approach as nearby Ontario Airport, resulting in very heavy air traffic in the area.

The Commission also noted that the utilities and most other facilities at Norton need a general upgrade to meet today's technological standards. They also said that "because of the poor quality of facilities, higher than normal expenditures are required for maintenance, repair, and periodic replacement." Base Civil Engineering officials agreed that the facilities are substandard and outdated, except for the water distribution system. The base's electrical distribution system is antiquated and is in constant need of repair and the base has a severe shortage of warehousing space. Norton is currently storing items in some unsuitable warehouses and surplus office furniture is stored outside, covered by tarps, as a result of the critical shortage of warehousing space.

The Commission also reported deficiencies in the quality of life at Norton. They said "the most prominent include a shortage of family housing units and inadequate medical, dental, and recreational facilities." Documentation provided to us by the base shows that there is a shortage of 1,059 family housing units at Norton. There is also a shortage of recreational facilities, as shown through the base's documentation. However, the documentation also shows that Norton has the required square footage of medical and dental facilities, contrary to the Commission's data.

We developed a revised estimate of savings that adjusts for model errors and changes in cost elements. The revised projection shows a payback of 2 years and $75.5 million in annual savings. This compares with a Commission model estimate of a 3-year payback and $77.8 million in annual savings. The shorter payback period in our projection results from corrections to the model. The original commission model double counted some construction costs.

Pease AFB

Our review of data at Pease AFB confirmed the Commission's findings of deficiencies in prelaunch survivability from sea-launched ballistic missiles and in the poor condition of facilities. We also confirmed that plans existed to transfer Pease's FB-111 aircraft to the Tactical Air Forces leaving the base without a major mission. In reviewing estimated costs and savings, we identified relatively minor adjustments. Between 45 to 90 positions out of 2,328 initially identified for elimination will instead be transferred to another location. Also, the land value of $63.8 million may be understated, but the ultimate value depends on use.

We developed a revised estimate of savings that adjusts for model errors and changes in the cost elements. The revised projection shows a 1-year payback and $88.9 million in annual savings. This compares with a Commission estimate of immediate payback and $95.7 in annual savings.

ARMY BASES

Fort Dix

The Commission estimated that the realignment of Fort Dix to semi-active status and related moves will save $84.5 million annually.

Until recently, semi-active, as it pertains to Fort Dix, had not been defined. However, the Department of the Army recently clarified the term to mean that Fort Dix will be primarily postured to support reserve component work load and continue activities currently located at Fort Dix that were not recommended for relocation by the Commission.

Fort Dix officials have developed a proposed mission statement for Fort Dix as a semi-active base. However, the personnel requirements needed to support such a semi-active base have not yet been defined. Army officials advised us that the Army's Training and Doctrine Command will have the ultimate responsibility for determining numbers of personnel who will be needed to support Fort Dix's future missions. When defined, it may result in adjustments in the expected costs to maintain the base in semi-active status.

The future status of Fort Dix's Walson Hospital is being studied by the Army and the Army's Surgeon General is in the process of developing a recommendation for Walson. Military medical requirements for McGuire AFB, Lakehurst Naval Air Station and Fort Monmouth personnel which have been met by Walson Hospital will have to be evaluated if Walson closes. We understand that DOD is currently evaluating the military medical requirements for the Delaware Valley area. We expect the study to cover the requirements for these other bases.

We developed a revised estimate of savings for Fort Dix that reflects a 4-year payback and annual savings of $65.7 million. This compares to the Commission's estimates of a 3-year payback and $84.5 million in annual savings. We expect that the review of personnel terminations could change these savings estimates.

The Presidio of San Francisco

Several costs associated with the closure of the Presidio of San Francisco have been questioned. For example, the amount of additional CHAMPUS costs, if any, from the closing of the Presidio has to be determined. The Army's Health Services Command estimated $23 million in increased CHAMPUS costs in the San Francisco bay area, assuming that retirees and their dependents currently serviced by Letterman Hospital would then be covered by CHAMPUS. An alternative estimate is that closing the Presidio would actually reduce CHAMPUS costs overall by about $8 million because the medical personnel from Letterman Army Hospital would be distributed throughout the Army. This assumes that if medical personnel from Letterman are distributed to other military hospitals and clinics, they could be used to treat retired military and dependents who would otherwise be treated under CHAMPUS. Thus far, we have been unable to verify the accuracy of these figures.

Also, there is an ongoing study by the Assistant Secretary of Defense for Health Affairs of medical care for the San Francisco bay area that examines the future status of Letterman and other hospitals in the area. We have been told that the study, which is scheduled to be completed in September 1989, may be delayed. Whether the Commission's recommendation and the Assistant Secretary's would be compatible cannot yet be determined.

The status of reserve units that are currently located at the Presidio is undetermined. It is unclear whether the Commission intended for the reserve units to remain at the base or how the costs of supporting the reserves were treated in the cost model.

The key to savings from closing the Presidio is the decision on Letterman Hospital and Letterman Army Research Center, since they account for most of the base operating costs. It is estimated that Letterman Hospital needs about $42 million in seismic upgrades to meet today's standards. However, the hospital is 20 years old and meets 1969 standards, as do many private hospitals in the bay area. The Research Center is newer and facilities would have to be built to house its mission elsewhere. Conversely, however, these facilities may be appropriate for use by a university, and the Park Service could make them available for lease. These are all important issues that need further analysis.

We developed a revised estimate of cost savings that assumes $17 million in Interior Department costs for operating the Presidio and no land sales and adjusts for data errors. Our estimate also assumes that there are no increased CHAMPUS costs. The revised model shows a payback in 2 years and annual savings of $50.2 million. The Commission estimated immediate payback and annual savings of $74.1 million.

Fort Sheridan

The Commission estimated that the partial closure of Fort Sheridan will save $40.8 million annually. Much of these savings arise from the projected elimination of 746 personnel. However, base officials estimate that only 172 personnel will be eliminated since personnel will be required to support the reserve components that remain on base and other reserve centers in the mid-west. U.S. Army Forces Command officials indicated that the estimated elimination of 172 positions may be low. Using this new estimate of personnel eliminated and revised estimates of construction costs increases the payback period from 1 to 3 years and reduces annual savings to $17.6 million annually (from $40.8 million).

According to representatives of 4th U.S. Army and the U.S. Army Recruiting Command, realignment of their activities to Fort Benjamin Harrison, Indiana, would affect the efficiency of their operations. However, the Chief of Staff, 4th U.S. Army said that although the location of Fort Sheridan is well suited for the missions of 4th Army, the mission can be effectively accomplished elsewhere. Also, the Chief of Staff, U.S. Army Recruiting Command, stated the Command can be administered from Fort Benjamin Harrison.

NAVY BASES

Hunters Point

The Commission recommended that the Strategic Homeport Program for Hunters Point, which was estimated to cost $85 million, not be executed. Since no construction had been initiated at Hunters Point, the Commission considered that the net cost of this realignment would be paid back immediately. The Commission expects annual savings to be about $8.0 million.

The Commission considered Navy data indicating that the construction start was uncertain because no dredging permits or regional water quality permits had been obtained. The Commission believed both could be subject to extended litigation based on West Coast experience.

The initial recommendation from the Navy to the Commission was that the Navy be allowed to proceed with the homeporting plan at Hunters Point. However, the Commission and the Navy agreed that alternative homeporting plans

-- would be strategically acceptable,

-- would be cost effective by avoiding the cost of opening and maintaining Hunters Point as a fully operational part of the

San Francisco Naval Station,

-- would not violate strategic imperatives,

-- would save needed operations and maintenance dollars, and

-- would probably provide more timely construction support for the fleet.

The Commission and the Navy agreed that relocating ships to Pearl Harbor and other places would (1) still be consistent with the objectives of the Strategic Homeporting Plan (provided Everett, Washington homeporting proceeds), (2) provide adequate force dispersal, (3) provide battle group integrity, and (4) locate more ships in proximity to Pacific operating areas.

A primary reason for the Commission decision to keep Hunters Point is its drydock for handling nuclear carriers. Commission officials said it would cost hundreds of millions of dollars to replace the drydock. Also, a new intermediate maintenance activity at Hunters Point supports active and reserve ships. The Secretary of the Navy stated that the Navy could accommodate the Commission's recommendations without adversely affecting the performance of the Navy's missions at sea.

In summary, we have found no data so far to suggest that the Commission's recommendation for Hunters Point was in error.

Senator DIXON. I would like to start with just a couple of general, simple questions, Mr. Conahan. I want to first express the appreciation of this committee and this subcommittee for the work you have done. I think it is very valuable.

We have not yet developed this, but do I get the impression from your testimony that in your evaluation of the methodology that the Commission used that Fort Dix and Chanute are the two particular bases that you looked at that may have some flawed conclusions that are drawn from the basic plan they used?

Mr. CONAHAN. The answer to that, sir, is yes. We are evaluating two categories of bases in order to test out the Commission's methodology. These include Army training bases and Air Force training bases. Let us look at Army training bases.

Senator DIXON. That would be the one that includes Fort Dix?

Mr. CONAHAN. That would include Fort Dix. The methodology resulted in Fort Dix being ranked as seventh in terms of military value on a listing of eight bases. When we used the correct data, Fort Dix went to number one.

On the air training bases which included Chanute, we found problems with data as well. When you put the new data in, Chanute does move up somewhat. It does not move up nearly as high as

Fort Dix does on the Army training bases, but it does move up somewhat.

Senator DIXON. It was ranked fifth of five in the methodology that they used, was it not?

Mr. CONAHAN. Correct.

Senator DIXON. What do you say it is on the basis of the raw data that you have at this time?

Mr. CONAHAN. I think that if you used the Commission's methodology and make no changes to it, based on some preliminary unverified data that we have developed with respect to how they scored medical and dental facilities, then Chanute would move about six points above Lowry Air Force Base. We are talking about 294 points versus 300 points. That is using their methodology.

Now if you were to make some other adjustments to that methodology, you might do some other things. For example, the relative discrepancy in facility availability against requirements was rather broad. For example, you would get the same score whether you had a 3-percent deficiency of a 30-percent deficiency.

If, for example, the deficiency was fairly small, maybe 3 to 5 percent or less than 5 percent, that would make a difference in a number of total points in the Chanute computation. For example, in training facilities Chanute was only about 2 percent shy of the requirement. Assigning a higher rating to this limited deficiency would add some more points to the Chanute ranking.

At the same time, I have to add that if you are going to reassign ratings, then you need to reassign ratings to the other bases as well. We have not done that. We have only done the one with respect to Chanute and it does move up in absolute terms.

Senator DIXON. I would like to have my staff work with your staff to get a finite result on what you are saying. I do not want to expand this beyond the length of time we have this morning.

Is it a fair statement to characterize your general testimony on the basis of the evaluation you have made without regard to what the ultimate result would be that, clearly, Chanute does not end up last on the list if the methodology is employed correctly?

Mr. CONAHAN. No, I am not prepared to reach that conclusion just yet. I would need to take a look at the other four bases in that category, which we have not yet done.

Senator DIXON. Will that be done?

Mr. CONAHAN. We can do that. That was not part of our original scope, but because we are where we are right now, we need to expand the scope to do that.

Senator DIXON. All right. If that can be done, I think this committee would appreciate your doing that.

Mr. CONAHAN. We can do that, yes, sir.

Senator DIXON. At least on the basis of the testimony you have given me this morning, there is a reason to think that Chanute may very well have been fourth on the list rather than last on the list by the correct employment of the methodology that the Base Closing Commission had already agreed to employ.

Mr. CONAHAN. If the information that we have with respect to medical and dental facilities is verified, that is correct.

Senator DIXON. Mr. Conahan, in at least two places in your testimony you mentioned the close collaboration between the Base Closure Commission and the military services in determining the military utility of the bases and their rank ordering.

Since the Phase 1 analysis was generally predictive of the Commission's final closure recommendations, do you believe that this Phase 1 analysis can be characterized as independent?

Mr. CONAHAN. I think right from the very beginning we had to recognize that military value was really a function and responsibility of the Secretary of Defense and the folks in his employ. So I think the Commission had to rely on the services and the Department of Defense in very large measure for coming up with determinations of military value.

Now the Commission did come up with the guidance and the procedures to be followed by the services. Further, the Commission monitored the services very, very closely as they followed the procedures. I see no evidence that they were unduly influenced by the services, although the services were indeed in a position to do that. I just quite frankly know of no other way to go about evaluating military value.

Senator DIXON. You touched on an evaluation about an existing past list and felt there was not much evidence of it, but in our looking at the entire transcript I must say to you it indicates there were discussions about old chestnuts, mentioning Fort Sheridan as an example as an old chestnut, let us look at the old chestnuts.

I expect you are aware of this, but there is evidence, of course, that in the case of Chanute some years ago when Congressman Ed Madigan was a fairly new Congressman in this place, they had recommended base closure on Chanute once before. When the information used to close the base was analyzed by Congressman Ed Madigan, it proved to be false.

So is it not a fact that there is a track record for these bases having been examined or considered by the Department of Defense and the services on prior occasions?

Mr. CONAHAN. A number of the bases have indeed been examined before. Fort Dix is one. Fort Sheridan is another. Fort Devens is another. There are a number that were examined before.

Senator DIXON. Forts Sheridan and Chanute really were prior targets.

Mr. CONAHAN. Indeed, there were a number of prior base closure candidates on there, and as you suggest, the Air Force and the Army were in a position to surface them again. However we did not see anything which would suggest that there was a predisposition especially to surface these.

Senator DIXON. I am delighted to have the ranking member here, Senator Slade Gorton. Even though I just got into the questioning, I would be delighted to yield to him at this time and then come back to my own line of questioning.

Senator GORTON. No, thank you, Mr. Chairman. I am going to review my materials on this.

Senator DIXON. Then if I may, Senator, I am going to proceed, and whenever you are ready just tap my shoulder.

Mr. Conahan, you stated that in examining Chanute you identified errors in the data and weaknesses in the methodology. Would you explain what these errors and weaknesses are and whether the errors occurred because a proper verification scheme was not employed? That is really two questions. What are the errors and weaknesses, and is there a lack of proper verification?

Mr. CONAHAN. I think there are two kinds of errors and weaknesses, and the validation or verification has to be looked at in that regard.

For example, when you are dealing with Phase 1, the Army's Training and Doctrine Command, (TRADOC) asked the bases within the Fort Dix category to provide information, and the bases did provide that information. In the case of Fort Dix, a few days after they provided their initial submission, they sent in a correction. That was how we, as a matter of fact, developed the erroneous data because TRADOC and the Commission did not use the corrected data.

What we had there was base-specific information that came in from the bases. Now when you go over to the Air Force category that includes Chanute, the bases were not contacted. Rather, data from the Air Training Command was used. You never had any base input at that point.

Senator DIXON. If I could interrupt at that point, I think that the testimony here does not dispute the fact that no Commission representative ever went to the base to verify the Commission's findings.

Mr. CONAHAN. I think as a general proposition, that is true. Commission members and Commission staff, however, did visit a number of bases. Now in certain bases——

Senator DIXON. Incidentally, they admit that they did not visit Chanute.

Mr. CONAHAN. I have no record that they did. I think they did visit Sheridan, and I think they did visit Norton, but I think we also know that they were fairly short visits, and they were not in a position to do much validation. I think you are getting right to the heart of the point. I do not think that the Commission members or staff spent the kind of time out there doing the kind of work necessary to validate this data or to verify the data across the board.

Now what they did see were patterns and trends occurring which, when they came back, would result in their providing renewed guidance or a little tweak in the process and that sort of thing. In terms of data validation, however, that just simply was not a dominant part of this program.

Senator DIXON. There seems to be some feeling that verification really did not take place. Did verification take place on the bases of your examination of this?

Mr. CONAHAN. I think generally not.

Senator DIXON. I understand the Air Force used March 1988 data to calculate military value of bases in the Air Training Command instead of updated September 1988 data. Now that is the information that has been given to me by staff.

Since the updated data could have altered the results in this mechanical process, can you find out or do you know why the later data was not used, apparently March 1988 being employed rather than September 1988?

Mr. CONAHAN. I can confirm that March 1988 data was indeed used, that the updated September 1988 data was not used. Had that information been used, they would have noted, I suspect, that certain housing projects were under way at Chanute which would have impacted on the requirement and availability equation.

I guess what we need to do is to think about where the cutoff point is. The Commission was working during the summer/fall time frame. They chose to take the March data and went forward with it. Now the question is should they have looked at the September updates? I guess you can go either way on that, depending upon what your time frame is and how busy you are. Had they done it, I think you would have had a different outcome. I think also had they followed their methodology, you would have had a slightly different outcome.

Senator DIXON. Mr. Conahan, I am going to say to my distinguished colleague, the senior Senator from South Carolina, that at whatever point he may be interested in asking some questions, I will yield to him. In the meantime, while he is looking at his analysis I think I will go on, and then he can let me know when he is prepared to intervene.

I am delighted to have the distinguished Senator here this morning.

Mr. Conahan, jumping to Fort Sheridan for a minute because I want to give an opportunity to you to make some comments about that as well, your investigation of Fort Sheridan indicates that annual savings are reduced from $40.8 million to $17.6 million. Is that accurate?

Mr. CONAHAN. Yes, they are the corrected numbers.

Senator DIXON. What category classification is that?

Mr. CONAHAN. That is administrative headquarters.

Senator DIXON. Yes. Did the reporter get that in the record?

The REPORTER. Yes.

Senator DIXON. I will ask you whether there are bases in that category that had a lower military value than Fort Sheridan and an annual savings that equaled or exceeded Sheridan's new figure of $17.6 million?

Mr. CONAHAN. I can answer the first part of your question. There were bases that had a lower military value. I do not have the information before me with respect to the savings, but I can provide that for the record.

[Pause.]

I stand corrected. We do not have that easily or readily available.

Senator DIXON. Could it in time be made available, say, in a time span of several weeks?

Mr. CONAHAN. I do not know. May I take a look at that before I give you an answer?

Senator DIXON. Yes. May we pursue that later with you, sir?

Mr. CONAHAN. Sure.

Senator DIXON. How many bases would you say had a lower military value, without even naming them? We will develop that later.

Mr. CONAHAN. Sheridan was fourth on a list of 15.

Senator DIXON. So it would stand fairly high on the list.

Mr. CONAHAN. Indeed.

Senator DIXON. As far as military value is concerned, if I understand you, it would stand fourth of 15 from the military value standpoint?

Mr. **Conahan**. Right. What happened is when they came to that category of bases, they said that all of these headquarters bases were of somewhat lower military value than all other bases. Therefore, they decided to take them all into Phase 2 and come up with some at least back-of-the-envelope cost information.

Senator **Dixon**. In your testimony you stated that errors have been identified in the data used for analysis of Chanute Air Force Base as well as weaknesses in methodology.

This may be somewhat repetitious. If these inaccuracies were corrected and the methodology improved and updated data utilized, would you agree that Chanute would increase in military value and potentially could be ranked higher in the Air Training Command utility array?

Mr. **Conahan**. I will agree that in absolute terms it could, in fact, would be ranked higher, but in relative terms I am not sure because I think you have to do the same thing with respect to some of the other bases as we have done here.

Senator **Dixon**. You are indicating that it could be done?

Mr. **Conahan**. That could be done, yes, sir.

Senator **Dixon**. Again, this is somewhat repetitious. Mr. Conahan, in your discussion of the Phase 1 analysis of Chanute Air Force Base, you point out that even minor shortfalls in adequate facilities resulted in an overall judgment of "marginal" or "yellow" in that category. I agree with you that some degree of discrimination is needed to avoid giving undue weight to minor shortfalls.

If, as you suggest, deficiencies of less than 5 percent were ignored and at the same time correct data were used, where would Chanute fall then within the ranking of Air Force technical training centers?

Again, that may be somewhat repetitious.

Mr. **Conahan**. The numbers that resulted from the Commission calculations had Chanute at 270 points and the base above that at 294 points on this relative ranking. If you were to use the corrected medical/dental numbers, you would add 30 to Chanute, and you would come up with 300, which would bring it six points above the next one on the list.

If you then went further and differentiated in your methodology to say that those discrepancies or deficiencies, if you will, of less than 5 percent were to be ignored, then those numbers increase by perhaps as much as 40 to 80 points.

Senator **Dixon**. That is where we made the point that it is even conceivable doing that that you would get into a tie for first place for Chanute. Is that a fair statement or not a fair statement?

Mr. **Conahan**. It would get very close in absolute terms; but again, I must remind you, sir, that we would want to do the same kind of analysis for the other bases.

Senator **Dixon**. It is fair to state when you talk about this five point difference business, you are really getting into something of a subjective analysis there, are you not?

Mr. **Conahan**. Yes, sir.

Senator **Dixon**. Is my colleague from South Carolina at this time ready to be accommodated? I am always very delighted to yield to one of the distinguished senior members of the Senate, the Senator from South Carolina.

Senator **Thurmond**. Thank you, Mr. Chairman. Mr. Chairman, I ask unanimous consent that my opening statement follow your statement in the record to save time.

Senator **Dixon**. That will be done.

Senator **Thurmond**. I have about three questions here. I have three committees going on this morning.

Mr. Conahan, I want to welcome you here and thank you for your good work.

Mr. **Conahan**. Thank you, sir.

Senator **Thurmond**. My first question is now that the Commission has presented its recommendations on the bases to be closed and realigned, the Defense Department is preparing its plans to implement the recommendations. We heard yesterday that the Department is requesting $500 million for fiscal year 1990 and 1991 in seed money to begin the closing and realignment process.

In your opinion, is $500 million a realistic amount?

Mr. **Conahan**. We have not made an analysis for me to give you a conclusive answer on that. I would say, however, that certainly they would need sums of that order of magitude. I do not see that they are unrealistic.

Senator **Thurmond**. My next question, Mr. Conahan, you recommended that it is important that this committee work with DOD to decide whether military strength should be reduced or whether positions should be reallocated to fill other needs.

In previous hearings both the Commission members and the Defense Department representatives indicated that the recommendations of the Commission are binding.

Do I understand from your statement that the services and Congress have some flexibility in implementing the Commission's recommendation?

Mr. **Conahan**. I do not believe that the Commission explicitly stated that the reductions in either civilian or military personnel should be removed from the force, and I therefore think that the committees and DOD have to work that out.

Senator **Thurmond**. Under the law we passed, as I interpret it the Congress could not vary. They would have to adopt the entire report or the entire report would be defeated. Is that your understanding?

Mr. **Conahan**. That is my understanding, yes, Senator.

Senator **Thurmond**. They cannot pick and choose; they cannot add or subtract? The Congress must adopt it all or nothing?

Mr. **Conahan**. That is correct except that the numbers of people are not in the recommendations. In other words, the report does not say we recommend that 300 or 500 people be eliminated from the end strength here. So I think that is still an open question, and we have to deal with that.

Senator **Thurmond**. In your statement you indicated that military value is the basic criterion for assessing the base's value. I agree that military value should be the prime consideration and that it represents an important contribution as to how base closure decisions should be approached.

This is a very important question. Have you identified any base recommended for closing where the military value is such that it should not be closed?

Mr. **Conahan**. Based upon corrected data, Fort Dix moves in the relative rankings from seventh among eight bases to first among eight bases. That is a factual finding. I lay it before the subcommittee.

Now whether the Commission or the Secretary of Defense would change its conclusion that Fort Dix should be among those bases recommended for semiactive status, I must leave that to them because that is in the final analysis a subjective conclusion.

Senator **Thurmond**. I am not asking about any particular base. I will ask the question again.

Have you identified any base recommended for closing where the military value is such that it should not be closed?

Mr. **Conahan**. Senator, I think there are two things to consider. You are asking if the data suggests that a base be ranked differently from where it came out in the Commission's work. That is one thing, and I say yes, a base does move up in the relative rankings.

The second part, I think you are asking for either a recommendation or a conclusion on my part that that base should or should not be closed. I do not think that is a function of the General Accounting Office to make that call.

Senator **Thurmond**. Let me ask you this question. From the study you have made of the Commission's work, if you were a Member of Congress would you vote to approve that program?

Mr. **Conahan**. GAO is doing its best to support the Commission's report. We believe that there is——

Senator **Thurmond**. You do not have to do your best to support it. If you do not agree with it, you ought to say so. If you do agree with it, you ought to say so. Now do you agree with it or not,

Mr. **Conahan**. We have not completed our work. At the moment, I see nothing that stands in the way of going forward with approving that report. However, we still have work to do, and there are rather substantial questions on the table with respect to the report.

Senator **Thurmond**. How many were on the Commission?

Senator **Dixon**. There were 12 commissioners.

Senator **Thurmond**. There were 12 people from different walks of life who were selected, as I understood, because of their fairness, their ability and their experience. They have come up now with this recommendation, and no one could influence them. It would have been improper for anyone to have attempted to influence them.

Now they have come out with this report, and we have to accept it or reject it. Should we accept it or reject it, based on your examination?

Mr. **Conahan**. At the moment I see nothing which should stand in the way of your accepting this report. Now others may differ on that because——

Senator **Thurmond**. I do not care whether others differ on that. I am asking you. You are the one on the stand now, and you are the one who made this investigation for GAO.

Mr. **Conahan**. Our investigation is not completed, and I suggest to you that there are significant questions still on the table.

Senator **Thurmond**. You are not through with you investigation, then?

Mr. **Conahan**. No, sir.

Senator THURMOND. Then you are not in a position to make a recommendation at this time as to whether or not we accept this program or not?

Mr. CONAHAN. That is correct.

Senator THURMOND. Are you going to come back later and make a recommendation as to whether we accept it or not?

Mr. CONAHAN. I think that there is a timing problem with that. We have said from the very beginning that our work will not be completed until sometime later this year. I believe that the legislation needs to be acted on or not within the next several weeks, and I cannot give you any more information within the next several weeks than I can give you today, sir.

Senator THURMOND. I presume, then, you are not recommending that we not accept the report?

Mr. CONAHAN. That is correct.

Senator THURMOND. Thank you, Mr. Chairman.

Senator DIXON. I thank the Senator from South Carolina, and I wonder if I could take the liberty to draw a distinction between two things under consideration.

The one question is whether we ought to adopt a resolution of disapproval. Obviously there is a 45-day legislative time frame unfolding to a conclusion sometime in May. I doubt very seriously that even the foremost critics of the Base Closing Commission's work suggest that that could be done. The votes are not here in the first place to do it.

I think the more important question that is before this subcommittee and the committee and the Defense Appropriations Subcommittee and the Appropriations Committee and likeminded places in the House is the question of how we go forward after that with reference to certain bases.

Part of that analysis will be some of the things that we are developing here. I think that is clearly within the jurisdiction of the appropriate congressional committee, Senator.

The appropriations aspect, I say to you respectfully, will be considered at a later date, but I do not think that any of us expect Mr. Conahan to suggest that the Base Commission report should be disagreed with. We did not call him here to do that. I think what we called him here to do was to suggest to him that he find for us those errors that require the considering attention of the Congress.

Senator THURMOND. Mr. Chairman, I have another committee meeting, if you will excuse me.

Senator DIXON. I want to thank the Senator for his usual useful participation.

Senator THURMOND. Thank you.

Senator DIXON. May I say to my friend, the Senator from Indiana, I will go forward with a couple of questions, and he can let me know whenever he is ready.

Mr. Conahan, in your testimony you state that the Commission took local economic impact into account only if two bases were "equal on all other factors".

Not surprisingly, there were no instances where two bases were "equal on all other factors", so the socio-economic impact as I understand it was never considered.

First of all, is that correct basically?

Mr. CONAHAN. It was not used as the final basis.

Senator DIXON. My question, then, is a little bit of a lengthy one, but if you could follow it. Do you believe this is an appropriate weighing of this information? Is this all-or-nothing approach similar to the green and yellow judgments the Commission made on facility deficiency no matter how minor the shortfall?

In this latter case I believe you testified that the Commission's approach was unrealistic and discriminatory; that is, the green and yellow judgment business.

The point I am trying to make here is it looks to me like, in fact, the local economic impact, that sort of thing in reality was really not considered at all, the socio-economic impact. Is that a fair question?

Mr. CONAHAN. Certainly in terms of Phase 2 where they were dealing with cost and savings, it was not factored in. My position on that is that, indeed, it should have been factored in. I think that on a base-specific review you would find that some of those costs could be very, very significant.

Now over all with respect to all of the bases, it might not look all that significant, but I think if you are going to do this kind of a study, those kinds of costs should be included in your methodology.

As a matter of fact, we testified before the Commission early on and urged strongly that they do include these costs in their calculations.

Senator DIXON. So that you had suggested to the Commission that the so-called socio-economic factors be a part of the methodology employed in some manner at least?

Mr. CONAHAN. That is correct.

Senator DIXON. I do not want to oversimplify this, but maybe for the record it is best to do it that way. What occurred was they kind of decided that they would only use the socio-economic impact if you found two bases that in their other methodology were exactly equal. That is an oversimplification.

Mr. CONAHAN. That is essentially true, and the upshot of that is that socio-economic impact did not then become a factor in any final decision.

Senator DIXON. Now take the case of Chanute Air Force Base just for the purposes of that discussion. All of us pride ourselves on knowing our own States. I suppose we ought not to be here if that is not the case.

Chanute Air Force Base is immediately adjacent to a community of a city called Rantoul in my State. Rantoul is approximately 20,000 people. Perhaps my people can give me the percentage, but the very large percentage, I think over half the people—could I get a number on that, the percent of people in Rantoul that work at Chanute?

[Pause.]

About 25 percent of the work force of Rantoul works at Chanute. The mayor is shaking her head no in the back of the room that that information is inaccurate. Could we get correct information on that?

A very large percentage of the people of Rantoul work at Chanute, and the rest of the people in that community operate businesses and other things that are dependent upon that employed population, so that the entire economic and social atmosphere of that community is entirely dependent upon Chanute Air Force Base, which is a couple of hundred miles from Chicago and St. Louis. Chanute is in a kind of isolated area adjacent to this small town.

Now I think one could reasonably conclude from that that the socio-economic impact on that community by the removal of Chanute is quite large; in fact, almost a finite act.

What would you say to that, Mr. Conahan?

Mr. CONAHAN. I think that you would come close to the conclusion that there would be a major and severe impact on that community if Chanute were closed. I think what needs to be done is the kind of analysis to, one, support that and give you some specificity as to precisely what that would be.

Senator DIXON. The obvious point there being that obviously in certain locations the closing of a base has a different socio-economic impact than in other places. It is more difficult in some places to assimilate those jobs that have been lost and things of that character; is that not correct?

Mr. CONAHAN. That is true, yes, sir.

Senator DIXON. That, though it is established, was not taken into consideration in the methodology employed?

Mr. CONAHAN. That is correct.

Senator DIXON. At Chanute, for your information, a town of 20,000 people with no major industries or businesses. There are 864 contract employees and 2,397 civilian employees in a community of only 20,000 people.

You would say that is a significant factor to be taken into consideration, would you not, Mr. Conahan?

Mr. CONAHAN. Oh, yes, and I think that the greater the relationship in terms of numbers between the military installation and the community, the greater the likelihood that the impact would be much greater.

Senator DIXON. I am going to yield after this question to my distinguished friend from Indiana.

I think it is clear from the testimony so far and I believe there is no dispute about the fact that nobody ever went out to look at Chanute. I believe everybody has so testified, including the service people here yesterday and the Commission people prior to that. The record seems clear that that is the case.

May I ask you, do you know whether other bases or at least the bulk of the bases were actually visited? The record does not seem very clear on that.

Mr. CONAHAN. The information that we have is that about 40, perhaps 42 bases of all bases studied were visited. However, most of those visits were to bases that were not recommended for closure or realignment.

I have to add something though, because it is important. I think that the Commission needed to protect its deliberations. I think that they needed to have a certain confidentiality as they proceeded with their deliberations so that external influences did not get in the way until they had an opportunity to do all the analysis that was necessary. That was one of the reasons they did not go out to bases which they believed were going to be targeted. In answer to your question, there were only a few bases visited that ended up with recommendations for realignment or closure.

Senator DIXON. Thank you, Mr. Conahan.

Senator Coats of Indiana, a distinguished member of the subcommittee, is now recognized.

Senator COATS. Thank you, Mr. Chairman.

Thank you, Mr. Conahan. Also for your information, we have a vote coming, I think, and so I will be relatively brief, but I want to specifically direct my questions to environmental cleanup cost considerations at Jefferson Proving Ground.

We are aware of the fact that the environmental cleanup cost consideration was not a factor in making a decision. The community, to its credit, has come to me and come forward saying we want to do our share in providing for military efficiency and dealing with the deficit. We are not protesting on the basis that this base should remain open for substantive purposes even though they think and I think a case can be made.

The basis of their concern is the significant environmental costs associated with closing Jefferson Proving Grounds where 23 million shells have been tested in the past couple of decades. Records are very inadequate, and we are talking about acreage there with a lot of unexploded shells, depleted uranium and so forth.

Now I have been pressing for an answer to the question of the cost of cleanup of Jefferson Proving Ground for several months without a satisfactory explanation back from DOD, and they have promised to get me that information.

GAO, partly at my request and the request of others, has looked at the methodology as it affected Jefferson Proving Ground, as has the DOD, and they have given us a preliminary estimate of a cleanup cost approximating $57 million involving restricted use. There also is an estimate that involves unrestricted use of $250 million.

We have independent studies in Indiana that run the cost up to the staggering amount of $14 billion. Why is there a discrepancy? Do you have more complete information than is available in this report? Can you shed some light on where we are on that?

Mr. CONAHAN. I have no information on the $14 billion number. I really have nothing more than you have on that.

Now on the other two numbers, I can deal a little more with that. Number one, the $250 million number is the number that the Army provided to the Office of the Assistant Secretary of Defense for full cleanup to unrestricted use at the proving ground. The $57 million number is the number that the Army says it will spend over the 5-year period in order to clean up a portion of the proving ground to unrestricted use.

Now we have been unable to determine to date what that portion is, and that could be a function of (1) the Army perhaps not being as explicit on it as they need to be; and (2) the timing of our work. We have just essentially begun this, so it could be a function of either one or the other or a combination of both.

Senator COATS. My guess is that the difference lies somewhat in segregating the administrative part of the post from the proving ground part of the post. Obviously we now have personnel and vehicles and so forth driving in and out of the administrative portion, and then you have the test ranges. My guess is they are separating the test ranges from the administrative aspects, although they have not come forward and said that.

Mr. CONAHAN. I cannot comment on that. We simply do not have that information at the moment.

Senator COATS. Have you made any separate analysis or investigation, or are you in the process of trying to estimate what those cleanup costs would be you have just related?

Mr. CONAHAN. Yes, we are just beginning our analysis of those numbers.

Senator COATS. How long will that take?

Mr. CONAHAN. I expect it will take perhaps as long as a month, and it could be longer than that depending upon the kind of information that the Army has developed to date. If it requires a lot of original analysis, that could take some time.

Senator COATS. Conceivably it could take more time than is necessary. Then when the resolution is presented to us, we may not yet have that information.

Mr. CONAHAN. That is quite possible, sir, yes. We have told the Senate Armed Services Committee Chairman as well as the House Armed Services Committee Chairman who have asked us to do this work that we cannot submit a complete analysis until sometime later this year. It could be very close to late fall before we have all of our work done. We recognize that that does not help in terms of the resolution that will be under consideration here.

Senator COATS. So at this particular point there is nothing more than what you said that you can give me relative to Jefferson Proving Ground in environmental costs? You have no preliminary data or estimates?

Mr. CONAHAN. As of today, that is it, sir.

Senator COATS. You are shooting for a 30-day time table, but completed studies may go into the fall?

Mr. CONAHAN. If there essentially is nothing out there, if that is a so-called back-of-the-envelope estimate, then a lot of ground work must be done. I cannot characterize what kind of estimate that is at the moment. They called it at one point a best guess.

Senator COATS. My best guess is that it is a best guess and that that information will not be forthcoming.

Mr. CONAHAN. I do not think it will be forthcoming from either the Army or from us before the resolution. They have their own studies to do, and we have work to do.

Senator COATS. I guess there is nothing else I can ask you, then, if that is the case except we appreciate your willingness to look at it. We hope that you can expedite the process. I will keep pressing DOD to make their investigation and supply you with information you need hopefully on a timely basis. Maybe we will get lucky and get the information in, but I am not really optimistic about that.

Mr. CONAHAN. We will work with the Army and get the information as quickly as we can.

Senator COATS. I would appreciate anything you can do on that. You can appreciate our concern about this thing, the resolution taking effect and then suddenly discovering we are not talking about tens of millions or even hundreds of millions but something potentially far more serious that would impact on groundwater or whatever. That would be a disaster. We recognize that it has to be cleaned up anyway.

Mr. **Conahan**. I quite agree with you. This is one of the reasons or, indeed, the reason that we suggested that all these kind of costs be considered in the initial analysis.

Senator **Coats**. Thank you.

Senator **Dixon**. Thank you, Senator.

Mr. Conahan, I have about half a dozen more questions. Then if no other members come in or my colleague from Indiana has not had other questions occur to him, we will probably be finished by about 11 a.m. I want to thank you for your courtesy.

I know this is somewhat repetitious, but I would like to clarify it for the record. I understand that the GAO estimates the overall environmental cleanup costs are now tentatively estimated to be about $940 million. Yesterday in testimony before this subcommittee, representatives of the DOD and the military services could only confirm the $115 million cleanup bill for the Air Force.

Can you provide now or for the record in time the basis for your estimates?

Mr. **Conahan**. I can provide the basis for our estimates right now. I do not have the detail behind those estimates, but these were the numbers that the services provided to the Deputy Assistant Secretary of Defense for Environment, and this was done just a few weeks ago.

Senator **Dixon**. Now do I understand that these costs are in addition to other closure costs?

Mr. **Conahan**. Yes.

Senator **Dixon**. They are in addition to any closure costs we might talk about, and if these cleanup costs were applied to each installation's cost analysis, are there any closure recommendations which would fail to meet the 6-year amortization requirement?

Mr. **Conahan**. We did not do that analysis, but I suppose that if we have the kind of cleanup costs associated with the Jefferson Proving Ground that we are talking about right here, that could very well impact on the 6-year payback. That analyses has not been done.

Senator **Dixon**. Thank you. When you have that, it would be a great accommodation to the committee if we could have that.

Mr. **Conahan**. Yes, sir.

[The information follows:]

The General Accounting Office will not be able to provide these analyses at this time. The estimates of clean up costs are in many cases characterized by service representatives as best guesses. They stressed that many studies need to be done before accurate estimates are developed.

Senator **Dixon**. Mr. Conahan, for your information the Mayor of Rantoul of course is obviously very concerned about this and has made many trips to this city concerning her community.

The Mayor of Rantoul now tells me a recent University of Illinois report which I now hold in my hand—is this the report, Randy? I ask that it be reproduced in the record so that this report is available as part of this record, so will you see to it that it is reproduced in the record?

[The information follows:]

Phase I: Report to the Village of Rantoul

Preliminary Economic Impact Report of the Proposed Closure of Chanute AFB on the Village of Rantoul

March 1, 1989

Dan Spiegel
Department of Urban & Regional Planning
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Phase I: Report to the Village of Rantoul
Preliminary Economic Impact Report of the Proposed Closure of Chanute AFB on the Village of Rantoul

EXECUTIVE SUMMARY

While Champaign County will experience a significant negative impact as a result of the proposed base closure, the economic and social impacts will be most severe in the Village of Rantoul.

- Sales volume in the county is projected to decline by 7.4% while local merchants estimate that sales in Rantoul will decrease between 20% and 50%.

- Population decline in the county may reach 9.0% while the decline in Rantoul could be greater than 50%.

Municipal property tax base, sales tax revenues and income tax reimbursements would all decline sharply in the years following a base closure.

- Preliminary estimates indicate that close to one-third of the village's 3,075 single family homes would be for sale following a base closure.

- Local residential and commercial property values may decline more than twenty percent which, after three year averaging, would substantially reduce the village's tax base. Hardest hit would be Rantoul's 1,551 multi-family residences which were built in large part to serve the base population.

- Rantoul derives 22.0% of its municipal revenues from local sales tax. Two of the three biggest contributors to sales tax revenue expect decreases in sales of 20% and 50%.

- A substantial decrease in population before the 1990 Census would result in a sharp decline in the level of income tax revenues from the state which in 1987 accounted for 14.5% of Rantoul's total revenues.

No business will be immune from the direct and indirect economic impacts.

- Local dentists and attorneys expect to see declines on average between 20% and 50% but in an unique case as high as 90%.

- Small, local businesses will be hurt more severely than regional or national chains which may be able to endure several consecutive years of reduced sales.

The indirect social impact on the community will be as great as the economic losses associated with the base.

- The public schools may lose 43% and 65% of attendance. Teaching staff and extracurricular activities will be reduced substantially.

- Local church congregations expect to experience a decline in Sunday attendance between 30% and 80%. Sunday school enrollment will be impacted by even higher percentages.

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I. Introduction

In estimating economic impacts of an installation, the Air Force uses a standard of a 50 mile radius for every base.[1] While the impact of the proposed closure of Chanute AFB may be moderate over such a wide area, the impact will be substantially greater in Champaign County and even more severe in the Village of Rantoul. This report discusses preliminary conclusions about the socio-economic impact of base closure on the Village of Rantoul.[2] The content is drawn primarily from discussions will local business people, village officials and base representatives, supplemented with data from published and unpublished sources.

This report is divided into three primary impact areas: (1) economic impact; (2) fiscal impact; and (3) community impact. The economic impact includes discussion of the anticipated changes in sales volume to be felt by local business community. The fiscal impact area covers the financial implications of base closure on the Rantoul municipality. Community impact addresses the effect of base closure on the local population and social structure.

A. Community Profile

The Village of Rantoul is known primarily as the home of Chanute AFB which was built in 1917. Many local businesses rely extensively on the existence of the base in the community for clientele although a number of businesses draw customers from surrounding communities in some cases Champaign County and even Ford and Iroquois Counties. Particularly since the last threat of base closure in 1978, the village has worked hard to create a more diversified economic base with the development of the Rantoul Area Industrial Development Park. The park has been in existence for 21 years yet only recently sold off the last of the parcels. Unemployment in Rantoul has historically hovered between 5 and 6 percent.

In 1988, Rantoul had a average labor force of 5,972 (excluding military personnel) and an average unemployment rate of 5.3%.[3] The eight largest employers in the village are: Chanute AFB; Caradco; Bell/Vetter (located just outside the village limits); Rantoul Products; Combe Laboratories; Iodent (recently sold); Accurate Electronics; and Eagle Wings Industries. These eight industries provided employment for 3,054 individuals, or approximately 51% of the labor force (April, 1988). 49.5% of Chanute employees lived in Rantoul while only 38.2% of employees of the other industries resided in Rantoul.[4]

Student enrollment and employment at Chanute peaked in the 1970's. Table 1 shows the population trend at Chanute over the past five years.

Table 1
Population Trend at Chanute

	FY84	FY85	FY86	FY87	FY88	FY89	% Change FY84-FY89
Permanent Party	2,304	2,351	2,467	2,447	2,274	2,206	- 4.3%
Students	4,009	4,607	4,711	4,227	3,628	2,759	-31.2%
Civilians*	1,223	1,208	1,167	1,094	1,022	972	-20.5%

* Includes only appropriated fund personnel.

Source: Cost Branch. Chanute AFB.

The reorganization of training courses within the Air Force account for the decline in students as well as decreased enlistments in the Air Force overall. The Air Force's policy of contracting out services to private vendors explains the decline in civilian appropriated fund employment during the decade.

In 1988, Chanute AFB employed 2,383 permanent party military personnel, 991 appropriated fund civilians, 542 non-appropriated fund/base exchange personnel, 864 contract civilians, and 63 other civilians. Total civilian employment, full-time and part-time personnel, is approximately 1,469. The base also has 2,759 students currently attending courses.[5] Specific labor force data are generally available only for permanent party military, appropriated fund civilians and students.

86.6% of the permanent party military and students resided on base. Of the 13.4% who lived off base, 85.5% of them lived in Rantoul. 48.9% of the appropriated fund civilians also resided in Rantoul.[6] Statistics are not available for the remaining 478 civilians employed on the base. But if it can be assumed that a similar percentage of these workers also live in the village, Chanute AFB directly employs approximately 12.0% of the civilian labor force in Rantoul.

The employment picture is only the beginning of the social and economic impact Rantoul will feel if the base should close. The population of the village may decline by close to 50% from its most recent Census count of 20,641, civilian and military, in 1985.

The village population count has always included the base population. Excluding the Census enumeration districts which cover Chanute, the 1985 population of Rantoul is 11,382.

Table 2
Population Trend in Rantoul

	1960	1970	1980	1985	1985 w/o Chanute
Tract 101	8,071	8,459	5,755	6,221	6,221
Tract 102.1	1,244	1,444	847	794	794
Tract 102.2	1,101	1,056	414	373	373
Tract 102.3	6,601	7,316	3,961	3,994	3,994
Tract 103*	6,426	6,191	9,266	9,259	0
TOTAL	23,443	24,466	20,243	20,641	11,382

* Chanute AFB

Source: Bureau of the Census. Censuses of Housing and Population.

Subtracting military personnel and their dependents who live off base (the majority of whom live in Rantoul), the village population would decline by approximately another 828 people. These numbers do not include civilians and their families who may be transferred out or opt to move out of Rantoul or military retirees who live in the village who may move following base closure. The decline in population in Rantoul following a base closure would be drastic.

Total Chanute payroll in 1988 was $123,591,169 a large portion of which was spent within Champaign County. Total military retiree payroll within a 12 county region surrounding the base was $45,509,668. Non-payroll operations and maintenance accounted for another $64,587,085. Military construction projects completed and in progress during FY1988 totaled another $25,953,524. The base's own calculations estimate that annual expenditures provide employment for 14,203 individuals, military and civilian, within the Air Force's economic impact area.

Without any further data, it is clear that the Village of Rantoul will experience a sharp decline in employment, population and income if the base should close.

II. Economic Impact

The economic impact on the Village of Rantoul of the proposed closure of Chanute will be severe. While the village has made strides in diversifying its economic base, by far the largest employer and provider of income in the village is Chanute. Businesses dependent on Chanute students and employment may suffer losses in sales which will force them to close. Businesses with more diversified customer bases will also experience reduced sales yet should be able to continue present operations although they may forgo any plans for expansion. These same businesses may be able to continue operations until new development attracted to Rantoul begins to generate employment and income after 1992. All types of businesses will be affected including restaurants, law offices, dentists, financial institutions, utilities, insurance agents in addition to local retailers. A brief review of some of these specific impacts is provided below.

A. Local Retail Sales

Many of the businesses in Rantoul rely heavily on sales to permanent party personnel, civilian personnel and the students at Chanute. The high turnover of students provides a unique impetus to local sales. While 2,759 are currently in residence at the base, 18,503 students graduated from Chanute in FY1988. Most of the students are young, arriving directly from basic training and receiving their first pay checks. Despite the wide variety of services that are available on base, they often turn to Rantoul for purchasing cars, opening bank accounts, food and entertainment. Hence, for some local retailers, the total *annual* base population is more significant than the number of students present at any particular time.

The closure of the base will mean the end of their operations for some businesses. A Rantoul community half its present size cannot support the same number of retail establishments as it does today. A few stores, while not immune from the impact of a base closure, may be less affected than others. For example, IGA, Hook's Drug and a few other stores may serve as alternatives for retirees and dependents who are presently purchasing their goods at the base commissary. These stores are the sole competitors to the base vendors in the community. Stores which draw customers from surrounding communities, such as Walmart or Rogers Chevrolet, will be less affected than retailers who rely heavily on Rantoul based business.

The Rantoul retail community is essentially divided into two areas. One area, more distinctly dependent on the base, is east of the Illinois Central railroad tracks. The second area is west of the tracks closer to Interstate 57. While businesses along the I-57 interchange with Route 136 anticipate some decline in business, they do not share the same pessimism which exists in town. The fast food establishments, restaurant and motels by the highway derive much of their business from the firms located in the Rantoul Area Industrial Park, highway traffic and overflow from Champaign-Urbana.

1. Locally Owned Stores

Rantoul has a number of retailers who are well established in the community and for the most part depend on Rantoul residents for their customer base. The village has lost a number of these retailers over the years as the empty storefronts in downtown Rantoul reveal. Of those remaining, the owners are pessimistic about the future and anticipate declines in sales as high as 50%. Many do not know if they will be able to sustain a general economic decline for a number of years before new development moves into town.

The feeling among village store owners is one of abandonment. One major retailer made a substantial investment in his business after noting the recent construction and expansion on the base later to realize that if Chanute closes he may lose 50 percent of his sales. The surrounding farm communities have suffered economic problems for most of the decade which has already hurt local sales. The closure of the base will undoubtedly force more than a few local retailers into bankruptcy. Of course, since base closure is only a possibility at this time, while store owners are wary of the future, no one would speculate about the prospects of their business.

2. Regionally or Nationally Owned Stores

In contrast to many of the locally owned establishments, reduced sales at regionally or nationally owned stores will be noticed outside the community. The impact in Rantoul, however, would be a reduction in the number of workers required at the local stores. The fate of these stores is beyond the control of the local community. The decision to locate in Rantoul was made at the corporate level based on a market area broader than the village proper and the decision to leave Rantoul will be made at the corporate level as well based on future sales volumes. Both Walmart and Spurgeon's, for example, have a marketing strategy of locating in small communities and although they will feel the impact of the base closure, with a decline in sales as great as 20 percent, they are likely to remain in the area. Unlike a locally owned store, a multi-branch firm has the ability to withstand several poor sales years while waiting for the new development in the community. One store manager commented that his chain likes to maintain a number of lower volume stores in which they can train new managers.

The two hotels which are locally owned operations of national chains indicated that they anticipate declines in business from 10 to 25 percent. Both hotels serve not only base visitors but also visitors to the Industrial Park and Champaign-Urbana.

B. Local Restaurants

Managers at Rantoul's fast food restaurants anticipate declines in business between 20 and 50 percent. It is hard for them to estimate the base related business because each store has a number of managers who work a variety of shifts. All managers, however, remarked that they note a decline in business during holiday periods when many base personnel are out of town and during pay weeks when they note an increase in business. A number of the restaurants rely on business from the junior and senior high schools which would be severely impacted by a base closure. A few of the restaurants, however, derive a significant portion of their business from highway traffic.

One manager mentioned that his store does the fifth heaviest volume in the region so even a 50 percent drop in business would not be devastating in comparison to peer stores. Others, however, were less optimistic expressing concern that because of a declining customer base, price wars to attract new patrons may follow further jeopardizing the business' profitability. The base closure announcement has incited one store to implement a special sale to try to establish new customer loyalty. On average, at least half of the employees at the fast food restaurants are related to the base. Three of the five fast food restaurants surveyed are owned locally (Champaign County) and two are owned by the parent company.

Like the fast food establishments, local restaurants will also be hard hit by a base closure. Conservative estimates suggest base closure would result in a 25% decline in business. One restaurant has postponed plans for renovations while another related that base closure will have a "great" impact.

C. Real Estate

The Village of Rantoul has 3,075 single family homes, 1,551 multi-family residences and 709 mobile homes.[7] Local real estate offices report that since the announcement that Chanute was one of the bases targeted for closure in late December, only one home sold in the village in January and none has sold in February. Although January is normally a slow month for real estate sales, Rantoul averages 300 home sales per year. While sales prices have not yet dropped precipitously, pending the vote on the base closure recommendation prospective buyers are waiting to see if property prices will decline after a decision is made. This waiting period will be a severe hardship on local realtors since their existence depends on the commissions they earn from local property sales. One realtor estimated that one-half of local real estate sales are related to the base.

Following the closure announcement of 1978, one realtor recalled that property values decline 30%. The decline however was temporary because the base remained open. If the base actually would close this time, property values should decline by at least as much since the local market will be flooded with homes for sale by military and civilian personnel who are being transferred or have elected to leave the area. One realtor commented that the local market is "not particularly strong" and if the base closes, it is possible that a portion of the housing units on base will also be up for sale further flooding the local housing market.

Particularly hard hit will be rental property which has been occupied for the most part by off-base military personnel. Following a base closure, local realtors do not foresee much demand in the area for rental housing particularly the smaller units which are in the market. This would not only lead to a high vacancy rate but would mean a loss in income for area residents who invested in rental property. In April, 1987, the vacancy rate for multi-family homes was 2.9% and 3.9% for single family homes. The years following the base closure threat of 1978 saw multi-family vacancy rates of 16.7% (November, 1979) and 22.7% (October-November, 1980)[8].

A substantiated decline in local property values will, in time, mean lower total assessed valuation for the village and therefore lower property tax revenues at the current tax rates. Overall township assessed valuations have not risen substantially during the 1980's because of the depressed price of agricultural property. A decline in assessed valuation in one year is averaged into total assessed valuation over a three year period. Therefore, three years of depressed property values would substantially impact the total assessed valuation of the village. Total assessed valuation in FY1987 was $60,538,228, up 5.3% from total assessed valuation of $57,516,164 in 1985. Over the same period, Champaign experienced an increase of 8.0% in total assessed valuation and Urbana had an increase of 6.8%.[9]

With the Defense Department's Homeowners Assistance Program, military and civilian personnel who are transferred to another area will receive either 95% of the fair market value of their property before the base closure announcement if they sell their home or 85% of the prior market value if the Government takes over the property. The impact of such a large scale sale of property on local market values and on total assessed valuation is unknown at this time. The estimation of assessed valuations for these properties will not be conducted by the township tax assessor but by the Army Corps of Engineers. It is understood, however, that the Department of Defense will continue to pay property tax on any property over which the office of Housing and Urban Development assumes control.

D. Finances: Local Banking

The local financial community, depending on the institution's particular portfolio mix, may be at increased risk following base closure because of: (1) declining income in Rantoul; (2) declining savings rates; (3) withdrawn investments; (4) and from loans which may become non-performing. Some of the financial institutions are more exposed to Chanute customers because of past financial relationships with the base. Nevertheless, while leaders of the financial community expressed concern over the threat of base closure, no one predicted a liquidity crisis or serious financial trouble. The impact of base closure, however, may precipitate the consolidation of financial institutions or the withdrawal of non-locally based institutions from the area. A village with a population of 10,000 or 12,000 requires considerably fewer financial services than a community of 20,000. Table 3 details some general information about the local financial institutions.

Table 3
Selected Statistics on Rantoul Financial Institutions, 1987

	Assets (000)	Loan Types as % of Earning Assets			
		Cl	Cs	H	Ag
Bank of Rantoul	$ 66,437	14%	8%	13%	10%
Eagle Bank	$ 19,258	13%	8%	16%	1%
Rantoul Federal Savings and Loan	$ 27,500	********unknown*******			
Total Local Assets	$113,195				
Olympic Federal*	$225,000	********unknown*******			
Credit Union 1**	$156,000	********unknown*******			

Cl: Commercial; Cs: Consumer; H: Home Mortgage; Ag: Agricultural
* A branch of a financial institution with corporate offices in Berlin, IL.
** CU1 has operations throughout the state.

Source: Banks of Illinois, 1988. Sheshenoff Information Services.

The decline in population would substantially decrease the local customer base. The high turnover of students and military personnel have continually provided the financial institutions with a new clientele. Individuals who open up direct payroll deposits or take out loans locally continue to maintain their accounts or loan payments even if they later move out of the area. Civil service employees and retirees have supplied the banks with a steady customer base in the past; this could be substantially reduced after base closure. Moreover, income from loans to private businesses could be substantially curtailed if local businesses which depend on the existence of the base are forced to close. One bank official anticipates a 50% decline in local sales and a 20% to 30% decline in property values.

While the bank managers described the impact of base closure as "extreme" and "devastating," each institution has reviewed its loan portfolio and no one anticipates a financial crisis. Furthermore, while they anticipate a poor economic climate in the short run, they are eager to wait out the downturn and take advantage of any future opportunities to finance new businesses which may arise. One bank official, however, wonders if a Rantoul of half its present size will be able to support the number of financial institutions which currently exist.

Credit Union 1 and Olympic Federal Savings & Loan are the most independent from Chanute of all the financial institutions. Following the threat of base closure in 1978, Credit Union 1 substantially expanded its customer base throughout the state of Illinois and is no longer dependent on the Rantoul area for the majority of its business. Olympic Federal Savings & Loan only operates a branch office in Rantoul and hence while its presence depends on local business volume, the S & L's overall financial stability will be only marginally affected by base closure.

The financial institutions have tried to keep their portfolios diversified because the directors always recognized the threat of base closure existed. Some of the financial impact of base will fall outside of the Rantoul community. Several of the major demanders of financial services, such as the auto dealers, receive financing from their corporate credit authorities or from Champaign financial institutions where bank capitalization is substantial enough to meet their needs.

Almost all of the bankers interviewed expressed concern that some of their best employees are military dependents and they would be losing a portion of a good work force. There is some forethought afoot to anticipate these dependents leaving the area and how they might already begin to cultivate permanent, local employee replacements.

E. Local Professionals

Like all small businesses, local professionals will be affected by the closure of Chanute. The severity of the impact, however, varies substantially depending on the clientele focus of each practice.

1. Attorneys

The impact of the base closure on local law offices ranges from as high as 50 to 60 percent of a practice's business to a low of one percent. While law offices can attribute a distinct portion of their clientele to the base, the number of clients who are indirectly dependent on the base's existence is less clear. Attorneys who either specialize or have a substantial portion of their business with area farmers will feel less of an impact. One lawyer, who specializes in agricultural law, noted that only one percent of his practice is related to the base and he therefore would not be affected at all. Lawyers who specialize in family, business or non-agricultural real estate law will be more significantly affected.

2. Dentists

As with local attorneys, the impact of base closure on dental offices varied, with estimates of patients related to the base as low as 10% and as high as 90%. One office had already conducted two random surveys of its patient records and estimated that one-third of their clients are either civil service or military dependents. One dentist noted that after the last threat of base closure in 1978, he made a point of attracting business from surrounding communities and the agricultural population and today estimates that only 10% of his patients are related to the base. In contrast, another local dentist recently opened his private practice after having a practice on base for a number of years. His plans were to take advantage of the insurance program for dependents and therefore perhaps 90% of his business is related to the base. To some extent, dentists who rely on the base for a portion of their patients also rely on the turnover of area residents. This turnover provides each dentist with a constant opportunity to expand business.

F. Labor Force

As discussed in the introduction, in 1988 the civilian labor force totaled 5,972. What is hidden in this figure are the local workers who are dependents of base military and civilian personnel. Almost every local business commented that together with loss of a portion of their customer base, they would also be losing a number of employees if the base should close. While some local businesses may arguably not rehire the same number of employees following a base closure, it is possible that in some cases employers may face some difficulty in finding suitable employees in Rantoul. Unemployed school teachers, for example, may not be willing to become bank tellers at a fraction of their former wage. Several of the fast food restaurants mentioned that at times it is difficult to find a sufficient employees in Rantoul and if the base should close, their pool of potential employees would be reduced.

II. Fiscal Impact

The decline in local sales tax revenues following base closure will be a significant loss to the Village of Rantoul. A more substantial loss, however, will result from the decline in the per capita income tax reimbursements the municipality receives from the state of Illinois. The inclusion of the base population in the decennial Census count of the village allows Rantoul to receive income tax reimbursements based on a count of approximately 20,000 residents while providing most municipal services only to around 11,000 residents. The loss of population will also undoubtedly reduce the village's property tax base.

1. Municipal Revenues

Table 4 details the sources of revenue for the village. The three primary source of revenue are sales tax, property tax and income tax.

Table 4
Major Sources of Revenues, 1987

Local Taxes		
Property Tax	$ 559,137	15.1%
Sales Tax	815,671	22.0
Utility Receipt Tax	316,492	8.5
Other Taxes	60,787	1.6
State Intergovernmental		
State Income Tax	$ 536,406	14.5%
Motor Fuel Tax	348,134	9.4
Other Taxes	124,605	3.4
Federal Intergovernmental		
Federal Revenue Sharing	$ 47,662	1.3%
Other	249,727	6.7
Other Local		
Licenses, Fees, Fines	$ 165,015	4.5%
Other Services	196,111	5.3
Investment Earnings	205,356	5.5
All Other Revenue	78,008	2.1
Total	$3,703,111	100.0%

Source: Office of the Comptroller, State of Illinois.

In 1987, the village had a retail sales volume of $88,569,259 up 21.6% from $72,825,998 in 1986 and up 31.0% from retail sales of $67,620,897 in 1982[10]. Municipal revenue from sales tax was $815,671 in 1987, or 22.0% of total revenues. For comparison, Champaign derived approximately 23.2% of its 1987 revenues from sales tax, Urbana 19.5% and Mahomet 23.3%. According to the village Comptroller, three local businesses contribute approximately 65% of the village sales tax receipts: Rogers Chevrolet, Manley Ford and IGA. The retailer Walmart is also a major sales tax generator. The auto dealers anticipate a 20 percent and 50 percent reduction in sales, respectively, if the base should close which would mean a precipitous decline in sales tax collection.

The decline in local population will not only lead to reduced sales tax receipts but to reduced state income tax reimbursement from the state. State income tax provided 14.5% of total revenues in 1987. The Chanute population has always been included in the per capita calculation of state income tax reimbursement to the village. The severity of the income tax loss will in part depend on when the reduction in personnel and military transfers begin at the base. The state uses the decennial Census as the basis for its reimbursement calculation. Therefore, if the population has only been partially reduced by Census day in 1990, the city may still enjoy the tax reimbursement windfall over the next decade.

Property taxes, of course, are a third area in which the village may experience a substantial drop in revenues. The impact of reduced property values on property tax revenues will be felt gradually because of three year averaging. The current tax rate in Rantoul is substantially lower than either Champaign or Urbana. Combined revenue losses from sales and income tax would probably force the village to raise its property tax rates to levels comparable with other cities in the area.

Table 5
Selected Property Tax Rates, 1987

	Rantoul	Champaign	Urbana
Total Assessed Valuation	$60,538,228	$396,185,617	$183,941,187
Aggregate Tax Rate	5.7307	7.1288	8.2618

Source: State of the County, 1988. Champaign County Regional Planning Commission.

One mitigating factor in the coming years will be the increased revenues derived from the Rantoul Area Industrial Development Park. A number of firms are not yet operating at full capacity and when they increase output, the village will benefit from increased utility taxes. Further, the expiration of tax abatements given to companies in the industrial park will also increase tax revenue. Any new revenue to be generated from the redevelopment of the base property in the mid-1990's would contribute to municipal revenues but cannot be speculated on at this time.

2. Municipal Expenditures

Government expenditure for municipal services would not be substantially altered by the closing of the base. At present, the village does not provide municipal services to the base and therefore would not incur any immediate fiscal responsibilities until economic conversion of the facility is complete. Any additional expenditures which the village may incur to redevelop the base site will be partially offset by aid received from the Office of Economic Adjustment. It is too early to speculate about the amount to be received or any unanticipated expenditures.

According to the village comptroller, Rantoul's infrastructure will not require any substantial capital outlays in the near future. Police and fire protection would have to be maintained at near the present levels despite the smaller population. The only major capital debt is for the regional waste water facility which the Air Force and village financed together. The Air Force is obligated to continue paying on the debt in the future. The village has no other debt obligations. Rantoul, therefore, will most likely face more restrictive budgets in the 1990's because of reduced municipal revenues. If base population begins to decline substantially before the 1990 Census, the decline in revenues may be more drastic.

III. Community Impact

A. Population

The population decrease following the base closure will not end with the departure of base activities; the indirect unemployment which will result from base closure will encourage further population migration from the area if suitable new employment opportunities do not exist.

To begin to estimate the number of residents who will be forced to leave the area, it is useful to separate Rantoul residents into five distinct groups: (1) Permanent Party and Students; (2) Civil Service Employees; (3) Non-Civil Service Civilian Employees; (4) Local Residents Whose Livelihood Depends on Chanute; and (5) Retirees. Available data concerning the residences of each of these groups and evidence indicating whether they would choose to remain or not to remain in the community are sketchy. The following is a discussion of the known factors which influence the migration decision of individuals in each group.

Before discussing these factors, however, it is instructive to review where Chanute employees currently reside. Permanent party military and Chanute students primarily live either on base or in the village. According the base's FY88 Economic Resource Impact Statement, 73.9% of the permanent party and 95.0% of the students live on base. Of those who live off base, approximately 85% live in Rantoul. Approximately 49.5% of the civilian population employed at Chanute live in the Village of Rantoul. The impact of civilian and military personnel leaving the area will be felt by a number of communities in Champaign, Ford and Iroquois counties. Rantoul, however, should experience the largest decline in population.

1. Permanent Party and Students

Currently present at Chanute AFB are 2,206 permanent party military employees and 2,759 students. These numbers do not include spouses and dependents which number 4,420 individuals. There is little doubt that all of the military personnel and their families (a total of 9,385 people) will be transferred from Rantoul to new locations.

2. Civil Service

The future of civil service employees is less clear. There are currently 972 appropriated fund civil service personnel working on the base. This number has declined by 20.5% since 1984 due to retirements and the contracting out of some base operations. From this pool of civil service employees, the Civilian Personnel Office estimates approximately 250, or 26%, are instructors of specialized fields and will be asked to transfer to the bases receiving their courses.[11]

A number of employment options exist for the remaining civil service personnel. According to the Civilian Personnel Office 50.1% of the civilian employees are currently eligible for retirement; whether they choose to retire, and if they retire whether they chose to retire in the Rantoul area, can only be speculated about at this point.

For those civil service employees who will not be transferred and either are not eligible for retirement or not willing to retire, the Department of Defense is obligated to offer each civil service employee an alternative job with a 10 state region surrounding the base. The job offered may not necessarily be at the current grade scale, but an employee who accepts a position will receive compensation for loss of property value and reimbursement for moving costs. It is in the employees best interest to accept the position offered because if s/he turns down the job, the employee will permanently lose preferred rehiring rights within the Department of Defense. If the employee should find a civil service position outside of the ten state region, transfer costs must be borne by either the hiring base or the employee. The National Federation of Federal Employees urges its members never to turn down a position offered because it is a one time opportunity; they argue that it is best to go to the new location and later request a second transfer. The transferred employee must agree to stay in the new position at least one year.

The employment options offered by the Department of Defense will result in a substantial number of the remaining civil employees leaving the area. Of course, each individual has unique considerations which determine if moving is a feasible option. There are few Department of Defense jobs available within a commuting distance of Rantoul. The major Defense Department installations in Illinois are the St. Louis Area Support Center, the Rock Island Arsenal and Scott AFB near St. Louis with FY1987 civilian employment of 7,879, 3,321 and 3,173, respectively.

The new federal court house to be constructed in Urbana may offer employment for up to 150 civil service employees. Chanute union officials will like to get a commitment from the federal government to give preference to former Chanute employees.

3. Non-Civil Service Civilians

Most of the other civilian personnel who work on the base, non-appropriated fund, contract employees, and private business people, will not have the option of being transferred with the base operations. A small number of contract employees who work for national firms may be offered a position elsewhere; if, for example, the task performed currently at Chanute is required at the receiving base and the firm also has a contract with the receiving base, then the nationally based company may elect to transfer its employees to the new location (e.g. Raytheon). Otherwise, non-civil service civilian employees will be laid off in the local area and not receive any compensation for loss of property values nor moving expenses although they are eligible for limited severance pay. This population may remain in the local area in the short run, perhaps awaiting future employment opportunities.

4. Local Residents Whose Livelihood Depends on Chanute

As mentioned in the discussion of economic impacts on local businesses, a number of local businesses depend on Chanute for their livelihood. Without the presence of the base, these businesses may be forced to close and their owners may chose to leave the Rantoul area. It is not possible to determine the exact number of employees affected because most small businesses expect to "play it by ear" after the base closes.

5. Retirees

There has been substantial discussion surrounding the impact of the base closure on military retirees who live in the community. Most retirees have opted to live in the area because of the provision of certain base services such as free medical care, recreational facilities and access to the commissary. A total of 4,614 retirees reside within a 50 mile radius of the base with approximately 659 retirees who live in Rantoul[12]. Furthermore, it is not known what portion of the retirees would choose to relocate in a community with an existing base. While this option sounds reasonable, one needs to remember that retirees may lose on their investments in local property and will not be reimbursed for moving expenses.

B. Education

1. Enrollment

The children of Chanute personnel constitute over fifty percent of the school districts' attendance (Table 6). Assuming a worst case scenario, the Rantoul City Schools (K-8) would lose 65% of its students according to Rantoul City Schools Superintendent David Glisson.

Table 6
Rantoul School District Enrollments, 1987-1988

District	Student Enrollment	Military Parents	Civilian Parents	% Decline
Rantoul City, 127	2,484	1,355	248	65%
Rantoul Township H.S., 193	1,050	249	176	43%
St. Malachy's School	180	42	18	33%

Source: Regional Office of Education.

Glisson also estimates that "four of the district's six buildings would be likely to close, leaving two buildings--a kindergarten through fifth grade building and a junior high for sixth through eighth grade students--to house the 880 students who remain."[13] The Superintendent of the Rantoul Township High School, Gail Conley, anticipates a 43% decline in the district's enrollment if Chanute closes. At St. Malachy's Catholic day school, enrollment could drop by 30%, from the current 180 to 120 students.[14] The Regional Superintendent of Schools estimates that 130 school personnel will be released from their contracts within the next one to three years. In short, the impact of base closure on school enrollment in Rantoul would be extreme.

2. Funding

A drop in local school attendance would translate into a loss of revenues from both the State of Illinois and from Federal impact aid. "Rantoul City Schools currently receive over $1.8 million annually in federal Impact Aid to make up for property taxes Chanute residents are not required to pay."[1] RCS could lose close to 90% of that aid if the base closes; this would be in addition to about $2.9 million in annual state funds given to the district based on annual enrollments which the city school district would lose. Layoffs of local teachers will require the school districts to increase their annual contributions to the state unemployment fund which would further strain scarce resources. The consolidation of teaching into fewer buildings would mean only marginally lower maintenance costs. The property could be sold, although this might be short sighted depending on what new development might occur in place of Chanute.

The high school receives less in federal impact aid than the city schools, about seven percent or $279,000 of last year's $3.9 million budget. More severe would be the reduction of state aid because of the decrease in enrollments; Conley expects a reduction of $1.1 million from the current state contribution of $1.4 million.

As military and civilian families leave the area, the Rantoul schools will begin to face a substantial loss in property tax revenue after the three year averaging factor has expired. Currently, Rantoul school district tax rates are lower than other cities in Champaign County, 40% lower than Champaign and 54% lower than Urbana. Maintaining these low tax rates may be difficult given a loss in state and federal aid.

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[1] *ibid.*

Table 7
Assessed Valuations and Comparative Tax Rates

	Rantoul	Champaign	Urbana
Aggregate Tax Rate	5.7307	7.1288	8.2618
School District Millage	2.8538	3.7346	4.5393

Source: State of the County, 1988. Champaign County Regional Planning Commission.

Conley estimates 41% of RTHS's budget comes from local property taxes while Glisson estimates that property taxes contribute 12 to 13 percent of RCS's budget. RCS will receive $867,433 from local property taxes this year. On February 22, 1989, Glisson announced that the district will survey civilian and military families who work at Chanute but live off base and whose children attend Rantoul city schools to gather property value information. Such a survey will allow the district to project tax assessments on housing owned by base personnel.[15] The federal government will continue to pay local property taxes on land which is purchased from departing residents. Still Conley has estimated that property taxes will have to rise at least 26% before inflation to offset the school districts' income losses in the coming years.

C. Social Structure

There is little doubt that Chanute AFB serves as a focal point for residents of Rantoul. The base has been part of the community since 1917 and is not only a physical neighbor to the village but through permanent party and civil service personnel who live in Rantoul, the base provides familiar faces in schools, neighborhoods and community organizations. One resident remarked that the announcement that Chanute appeared on the base closure list simply has "taken the heart out of everyone" in the community.

When looking at the impacts of the base closure, it is easy to overlook the non-economic impacts which the absence of the base would mean for the community. The survey of churches and clubs is indicative of the non-economic impacts that the closure of Chanute may have on the community. The absence of the base and its ancillary social activities would leave the community without its historic focal point.

1. Churches

The impact of base closure on the community social structure can be best captured by the affect to be felt by area churches. While the base does have its own chapel, families employed directly or indirectly by Chanute constitute a large portion of the active members in area churches. The loss of these families will not only mean a decline in Sunday attendance, but will severely impair the operations of some congregations. Similar to the substantial decrease in attendance at Rantoul public schools, church day and Sunday schools may lose, in some cases, over one-half of their students. Gary Engold, pastor at the First Assembly of God church pointed out that base closure will not only "severely hurt" the church's Sunday school attendance but the church will lose many of its youth group leaders because of base closure.

A telephone survey of eleven of the area churches revealed that the base closure may result in a decline in Sunday attendance between 30 and 80 percent. In most cases, church spokespeople referred only to the loss which would be directly attributable to the base. Not included in their estimations was the indirect loss of patrons such as school teachers and store owners who would subsequently leave the community. Such drastic changes in church attendance and membership may mean that some churches would not be able to continue to operate and may consolidate with churches in other communities. One church has already estimated that it may lose 25% of its operating budget. Day and Sunday school attendance should drop more precipitously than overall attendance. Nonetheless, several pastors spoke of the need to be available in the community particularly in difficult times.

The loss of church patronage does not take into the consideration the largely social functions which churches play in the community. A foundation at the First United Methodist regularly collects cookies from throughout the region to be distributed to military personnel away from home on the base. A number of churches also have adult night classes and youth groups.

2. Clubs

A perusal through the Newcomers Guide published by the Rantoul Press, indicated 45 adult social clubs or organizations which meet regularly in Rantoul. Of these clubs, eight, or 18%, are directly related to the existence of the base in the community. Examples are the Air Force Association, Air Force Sergeants Association and the Enlisted Wives Club.

A number of the remaining organizations are for retirees, many of whom are in the area because of the base facilities and may leave if the base is closed. Activity at area youth organizations will also be severely affected by base closure because of the number of Rantoul children who are dependents of military and civilian personnel and who may be transferred from the area.

V. Conclusions

While Champaign County will experience a significant negative impact as a result of the proposed base closure, the economic and social impacts will be most severe in the Village of Rantoul. Along with a perhaps fifty percent decline in population, Rantoul will experience a sharp drop in local sales, a fall in property values, a decline in municipal revenues and an upheaval of the community's social institutions. If the base should close, developing a timely economic adjustment strategy will be key in easing the impact on the Rantoul community.

1. The economic impact area defined by the Air Force for Chanute includes: Champaign, Ford, Vermillion, Iroquois, Piatt, DeWitt, Livingston, Macon, Douglas, Edgar counties in Illinois and Benton, Warren and Vermillion counties in Indiana.

2. In a few instances, the impacts discussed do not correspond with the village boundaries because some data are available only at the township or Census tract level which covers some of the surrounding farmland.

3. Illinois Department of Employment Security. Not seasonally adjusted. The labor force includes those individuals employed or actively seeking employment in Rantoul although they may not necessarily live in the village.

4. Village of Rantoul. Economic Development Office.

5. Permanent party, appropriated fund civilians as of 1/89. Other numbers are averages for 1988. Public Affairs Office. Chanute AFB.

6. 10.1% resided in Paxton, 8.1% in Champaign, and 4.2% in Urbana. Public Affairs Office. January, 1989.

7. In the 61866 zip code

8. Federal Home Loan Bank Board. Figures represent vacancy rates within the 61866 zip code.

9. Total assessed valuation increase for Champaign and Urbana may reflect annexation of land not included in the earlier period.

10. Sales volume figures are not adjusted for inflation.

11. A report in the News-Gazette cited that the receiving bases estimate they will employ a total of 648 new civilians with the transfer of training functions. Sheppard AFB expects to accommodate 337 civilian personnel, Lowry 149, Goodfellow 85 and Keesler, 77 civilian personnel, respectively. It is not clear why there is a discrepancy between the Civilian Personnel Office estimates and these numbers.

12. Economic Resource Impact Statement, FY1988, Chanute AFB and Gail Conley, Superintendent of Rantoul Township High School.

13. "Fate of schools, teachers uncertain" in the Rantoul Press, February 14, 1989.

14. *ibid.*

15. "City school district to offer AIDS education this spring" in the News-Gazette, February 22, 1989.

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Appendix A: Interviews and Contacts

Champaign County Regional Planning Commission

Julius Ross, Information Director

Chanute AFB

1. Public Affairs Office

Major David Sutherlin

2. Civilian Personnel Office

Ruth Jones
Ellie Vesallapoulus

3. National Federation of Federal Employees

Joyce Judge
Larry Farlow

4. Cost Branch

Jean Donnally

Illinois Department of Employment Security

Bob Davidson, Labor Market Economist

Local Businesses

B.G.'s Pancake and Steak Restaurant
Bank of Rantoul
Ben Franklin 5-10 Store
Best Western Inn
Burger King
Century 21 Realty
Coldwell Banker Realty
Credit Union 1
Domino's Pizza
Eagle Bank
Garcia's Pan Pizza
Hardee's
Holiday Inn
J.R. Inn Restaurant
Kentucky Fried Chicken
Long John Silver's
Rantoul First Federal Savings & Loan

Manley Ford
McDonalds
Radio Shack
Roger's Chevrolet of Rantoul
Spurgeon's
Taco Bell

Local Churches

American Lutheran Church
Bethany Park Christian
Church of Jesus Christ of the Latter Day Saints
Church of the Nazarene
First Assembly of God
First Baptist Church
First United Methodist
Immanuel Southern Baptist
Maranatha Baptist Church
Presbyterian Church
Rantoul Christian Church
Rantoul United Pentecostal Church
St. Christopher's Episcopal
St. Malachy's Catholic Church

Local Professionals

1. Attorneys

Dodd, Beyers and Reeves
Robert Mathis
Middleton and Craver
Neil Schurter
Robert Turnbow

2. Dentists

William Bagby
G. Callahan
Arthur Hess
G. King
R. Lord
McKabe
Robert Robinson
Norman Schutt

Village of Rantoul

Frank Elliot, Economic Development Director
Ken Modglin, Comptroller

Rantoul Township

Gail Conley, RTHS Superintendent
Joe MacNamara, Tax Assessor

Senator DIXON. This recent University of Illinois study finds that 65 percent of Rantoul's economy is totally dependent on Chanute.

I take it that this is certainly a major concern from a socio-economic standpoint, the fact that we were discussing earlier.

Mr. CONAHAN. I would say that is a major concern.

Senator DIXON. I am also informed by the Mayor that housing values are dropping like a rock out there since this report by the Base Closing Commission has been filed. For example, one house dropped from $60,000 to $30,000 recently as a consequence of this, and there are other examples of this tremendous economic impact on the community. That, of course, would be a consideration that would be involved in this socio-economic evaluation that you had suggested ought to be employed in the methodology here.

Mr. CONAHAN: Yes, sir. Those costs should be taken into account.

Senator DIXON. The head of the schoolteachers in that area, the superintendent of schools, came out here recently and talked to me and said that they would lose almost all their teachers in the area, so that the educational system will be impacted grossly.

I could develop this on down the line, but we all understand what you are saying as a representative of the General Accounting Office, that this socio-economic factor is really something that is worthy of consideration in the methodology employed.

Mr. CONAHAN. Yes, Mr. Chairman. I believe there are something on the order of 22 or 23 Federal programs that kick in when there is a substantial Federal impact on a community.

Senator DIXON. Could we have that for the record? I know that you cannot name all 23 now.

Mr. CONAHAN. Yes, sir, I will submit that list.

[The information follows:]

The President's Economic Adjustment Committee was established to provide coordinated Federal economic adjustment assistance necessitated by changes in the Department of Defense activities. Executive Order 12049 dated March 27, 1978, named representatives of 18 agencies as members of the committee. Currently representatives of the following 18 agencies are committee members.

The Department of Defense.
The Department of Agriculture.
The Department of Commerce.
The Department of Education.
The Department of Energy.
The Department of Health and Human Services.
The Department of Housing and Urban Development.
The Department of Interior.
The Department of Labor.
The Department of Transportation.
The Department of Justice.
The Council of Economic Advisors.
The Office of Management and Budget.
The U.S. Arms Control and Disarmament Agency.
The Environmental Protection Agency.
The General Services Administration.
The Small Business Administration.
The Office of Personnel Management.

Information provided by the Office of Economic Adjustment, which is the permanent staff of the Committee, shows that for 74 out of the many military installaitons which have been closed or realigned in the past, about $961 million (in 1988 dollars) in assistance was provided. The approximate percentage of this assistance which was provided by the various federal agencies follows.

	Percent
The Department of Commerce	34
The Department of Housing and Urban Development	17
The Environmental Protection Agency	14
The Departments of Health and Human Services and Education	8
The Department of Labor	8
The Small Business Administration	7
The Department of Agriculture	5
The Department of Defense	3
The Department of Interior	2
The Department of Transportation	1
All other agencies providing assistance combined	1
Total	100

The budgets for assistance programs in some of these agencies, however, do not currently appear to be as large as they were in the past. GAO is continuing to identify the specific assistance provided by the above federal agencies.

Senator DIXON. I think a fair extrapolation of what you and I are talking about is you talk about savings of one kind on the one hand, but it is the old story that on the other hand there are these other costs. In a real sense, the economic costs, not to mention the socio-economic costs which are greater, may very well be more than the savings anticipated.

Is that a fair characterization of this?

Mr. CONAHAN. It could be at selected bases.

Senator DIXON. Just a few more questions here, I think about four more. As a matter of fact, this dialogue pretty well covered the next anticipated question.

The matter of altered CHAMPUS cost has arisen relative to number of closure initiatives. Can the General Accounting Office shed any light from past analysis as to the most accurate way to assess the overall economic impact of closing some military medical activities and shifting the manpower assets elsewhere within the military medical system?

Mr. CONAHAN. Let me just deal with that in a general way, Mr. Chairman. If medical personnel are reallocated to other DOD facilities, then CHAMPUS costs in the receiving facilities likely would be reduced because folks would be going to those medical facilities rather than being reimbursed under CHAMPUS.

If, on the other hand, the medical people are taken out of the force, then there is really no impact on the receiving end because there is no receiving end. It depends upon what happens. If they go out of the force, there is one impact. If they stay in the force, there is quite another impact.

Senator DIXON. As an example, I am shown a document here that indicates that there are 4,614 retirees in this area, and that would impact heavily on the CHAMPUS cost; is that right?

Mr. CONAHAN. Yes, in that connection the Commission's methodology did not pick up dependents of retirees. Therefore, the savings and cost data included in the Commission's report is in error to the extent that they were not recognized.

Senator DIXON. This is a departure from the several questions I have left, and I do not want to belabor this unnecessarily, but I think my distinguished friend from South Carolina and I had some minor disagreement on the overall picture there, which is to say that I see this thing in several parts.

I think my friend from South Carolina is entirely right, that under the Base Closing Commission provisions of the law that was passed, which this Senator did not support but certainly a majority of my colleagues in both Houses did support and it became law, it says that ultimately we have an all-or-nothing situation. That was the dynamics of it actually, Mr. Conahan, was it not? We made this thing so rigid that in the end you take all or you take nothing. That was the whole thrust, as I say again, employing the same term, the dynamics of that legislation.

So I do not think anybody has any problem about that fact.

Incidentally, I think the House will vote today or tomorrow on that question, and I do not think that any Senator who knows anything about government or politics thinks that the Base Closing Commission's recommendations will be turned down.

I think what we are looking at here in this committee and what the Defense Appropriations Subcommittee is looking at in the Appropriations Committee, Mr. Conahan, is whether in the process there are such flaws or errors or mistakes that this Congress can correct through other processes, including the appropriation process, to prevent mistakes from being made. I think that can be done on a selective basis.

That is what we are trying to develop here. I think you would understand that as a representative of the General Accounting Office. If, for instance, Fort Dix or Chanute or others are on this list because of failed methodology or if Fort Sheridan is on this list when its military ranking is so high it ought not to be here or something of that character, those things can be examined by the Congress, I think, separately through the appropriation process and other processes.

That is what we are trying to establish here for the record. I do not think there is much here that I would disagree with in the statements that the Senator from South Carolina made as a general rule, but you do understand that distinction, I take it?

Mr. CONAHAN. Not only do I understand that, sir, but I think it is important that we in the General Accounting Office furnish you with whatever information will help you in those deliberations both on the broader question as well as while you go down the road on this issue.

Senator DIXON. I thank you for that, and you have been very helpful.

Throughout your testimony you have provided tentative re-estimates of the costs and savings of individual closure proposals. Were you to aggregate these revisions, how would they compare in your view to the Commission's estimate of $694 million in annual recurring savings?

Mr. CONAHAN. I do not have a calculation with respect to the total savings, but I do with respect to the savings associated with the eight bases that we selected initially for our review.

The Commission estimated savings of $580.5 million for those eight bases, and our current estimate is $490.4 million. That is a reduction of about 15.5 percent.

Senator DIXON. Please repeat that for the record so that we have it clear. Theirs was how many million?

Mr. CONAHAN. Theirs was $580.5 million, and our current estimate for those eight bases is $490.4 million.

Senator DIXON. So they are probably 20 percent too high on the basis of the eight bases you have looked at?

Mr. CONAHAN. Something less than that, yes.

Senator DIXON. Would it be fair to judge from that that this kind of a ratio would apply generally across the board, or would that be an excessive statement?

Mr. CONAHAN. Our eight bases plus the one naval base that we added accounted for 85 percent of their total savings, so you are talking about 85 percent right here in our test.

So yes, I think that that would hold true pretty much across the board. Here, we are talking, of course, only about the salary savings, the overhead, the housing allowance, and CHAMPUS, and we are not, of course, talking about the things that you and I talked about a moment ago, socio-economic or environmental costs.

Senator DIXON. May I ask you what those eight bases were?

Mr. CONAHAN. Pease Air Force Base in New Hampshire; Fort Dix in New Jersey; Fort Sheridan in Illinois; Chanute in Illinois; the Presidio in San Francisco; George Air Force Base in California; Mather Air Force Base in California; Norton Air Force Base in California; and Hunter's Point Naval Station in California.

Senator DIXON. Now let us take the cases of the two in my State, Fort Sheridan and Chanute. What are the numbers on those, if you have them?

I will not belabor this much longer, Mr. Conahan, because I know that you have had a long morning.

Mr. CONAHAN. With respect to Chanute, the Commission's estimates were a 3-year payback period and $66.7 million in annual savings. Our new data shows a 5-year payback with annual savings of $60.2 million.

Now let me get to Sheridan. With Sheridan, the Commission had a 3-year payback and—no, this is wrong. Excuse me. Strike that for one moment.

They had 1-year payback, Mr. Chairman, and savings of $40.8 million, and our current data shows a 3-year payback and savings of $17.6 million.

Senator DIXON. I would call that a rather substantial difference of opinion.

Mr. CONAHAN. Well, at Sheridan you will recall that the Commission had believed something on the order of over 700 people would be reduced, and our number is that there will be about 172 people.

Senator DIXON. In fact, most are being transferred, is that not true?

Mr. CONAHAN. That is true, too.

Senator DIXON. Getting back to Chanute for a moment now, and again I am not quite sure what kind of methodology you employ, but in looking at that so-called savings analysis on the 3-year time span, $60 million per year roughly. I am getting general in my statements here.

Is it possible to do a kind of analysis of the situation at Rantoul and Chanute that would show what the socio-economic impact is at the same time in that 3-year time span?

Mr. CONAHAN. We can break down the costs that have already been considered by the Commission, but I would not want to give you an immediate answer on taking a look at this socio-economic impact.

Senator DIXON. I do not think you could, and I would not expect you to. I am thinking in terms of all of the things that happened, diminution in real estate values, loss of jobs, requirement to pay unemployment compensation, and it probably entails 150 different kinds of considerations to come to a total conclusion. I do not know.

Mr. CONAHAN. If you are talking about a description of those items rather than a quantification of them, I think that the listing of Federal programs that kick in that I suggested we would deliver——

Senator DIXON. I thought you said there were 23.

Mr. CONAHAN. Yes; 22 or 23, somewhere around there. I think a description of those programs will show the kinds of things in the community that have to be taken into consideration. So from a descriptive point of view, I think that listing together with a description of those programs will show what that activity is.

Senator DIXON. I wonder how long it takes to get some kind of a generalization of that for a comparative analysis. This is not an exact science. I understand that; but I am trying to have some kind of a picture of what happens in a place like that if Chanute is closed. What is the contrast between the so-called savings to close that base that you have described in sort of general numbers as $60 million per year over 3 years contrasted against the socio-economic impact on the area and the cost not just there but to the country in real terms?

Mr. CONAHAN. You are talking about a rather significant body of work in order to quantify that. Let me just give you an example. It is not fully analogous but it comes close to a small, narrow piece of that.

Under OMB Circular A76, activities are contracted out from the Federal Government to the private sector. Whenever a study is done under that particular directive, you are looking at a fairly substantial study to go out and take a look at what the impact will be in terms of labor, movement, rates, and these sorts of things. So I think you are talking about a rather large study.

Senator DIXON. Is there any possibility on the basis of the 23 key programs that you have referenced in your testimony that you can in a fairly general sense extrapolate from that some kind of broad scope of figures that might apply to a specific case like Chanute so we could get a contrast in that case?

Mr. CONAHAN. For two reasons I am not going to hold out much promise.

Number one, those programs have not kicked in since 1977, which was the last time that a base was closed; and number two, probably our environment has changed somewhat since those programs were last applied. I just think you are looking at a fairly substantial study.

Senator DIXON. I would like my staff to be able to visit with your staff about the possibility of generalization of that. Now I do not expect you to get 100 people and go down there and go all over the area and so forth and finitely determine by exact numbers all of these things that I referenced in my questions, but there must be some kind of a broad kind of an understanding of what applicable programs and other things would kick into place to contrast against the so-called savings.

Those savings look so stark when you look at them. Someone might say, Senator, how could you argue against saving $180 million over 3 years, and I would like as a Senator to be able to say, well, you know, all of these factors were not considered which I think are valuable as matters to be contrasted to the so-called savings on this side of the ledger.

Mr. CONAHAN. Let me have our staffs work together to see what we can come up with.

Senator DIXON. I would appreciate it.

My final question, I am interested in the footnote you have on page 13 of your testimony, Mr. Conahan, if you would look at it, regarding the 6-year amortization issue. It was my understanding that the Commission's charter mandated that the individual closures be amortized within 6 years. I believe the Commission chairman testified that several additional closures could have been recommended if that restriction did not apply.

I wonder if it is your testimony that the Commission indicated to your auditors that it was not in fact bound by this restriction?

Mr. CONAHAN. Let me answer that a little bit differently. I have a position on that. My position is that the Commission was required to consider the 6-year payback period but that there was nothing in the law which required them to use the 6-year payback. That is to say that if the payback went beyond the 6-year period that there was nothing to preclude them from making a recommendation for closure or realignment.

Senator DIXON. I simply want to say to you and the folks with you, Mr. Conahan, that we greatly appreciate your giving us your time this morning. It has been very helpful.

I think we will be following up with some things. I appreciate the courtesy extended to date and assure you that it will be valuable in the conclusion of this subcommittee and the committee.

Thank you very, very much.

Mr. CONAHAN. Thank you, Mr. Chairman.

Senator DIXON. This committee meeting is adjourned.

[The National Federation of Federal Employees sent a statement for the hearing record which follows:]

NATIONAL FEDERATION OF FEDERAL EMPLOYEES
Washington, DC, April 20, 1989.

Hon. ALAN DIXON,
Senate Hart Building,
Washington, DC.
(Attention: Charles Smith).

DEAR SENATOR DIXON: The National Federation of Federal Employees, representing 150,000 federal workers across the nation, respectfully requests permission to submit a statement into the record regarding the report of the Defense Secretary's Commission on base closings and realignments.

While we are aware that your subcommittee has concluded hearings on this matter and that the House of Representatives recently voted to defeat its resolution to disapprove the Secretary's recommendation, we would kindly appreciate your assistance in allowing the views of federal workers to be reflected in the record.

Thank you for your assistance and support on this and other matters of importance to federal employees.

Sincerely,

James M. Peirce,
President.

Enclosure.

Prepared Statement by the National Federation of Federal Employees

Mr. Chairman and subcommittee members; on behalf of the National Federation of Federal Employees, which represents over 150,000 Federal workers across the country, including 75,000 employees in the Department of Defense, I would like to thank the subcommittee for the opportunity to present our views on the Report of the Defense Secretary's Commission on Base Realignments and Closures.

NFFE Locals are the exclusive representatives for three of the Air Force installations slated for closure by the Commission. We have serious concerns about the closure of George Air Force Base and Norton Air Force Base in southern California, and Chanute Air Force Base in Illinois.

At the outset, we must express our dissatisfaction with the fact that significant back-up information which the Commission relied upon has been withheld from our union and Members of Congress on the pretext of protecting the National Security. While it is certainly true that I submit this testimony primarily for the purpose of representing the interests of our members, it is also a fact that the Commission report is replete with erroneous and out-of-date information. This is understandable since the Commission took on the enormous task of weighing the military value and cost effectiveness of each of the hundreds of military installations and had only two months to complete its work. Surely the lives and careers of thousands of civil servants, and the tens and thousands of those economically dependent upon the various installations slated for closure, should not be disrupted because the Commission, in its haste, reached erroneous conclusions. Moreover, I am sure every citizen in this country shares my concern over the national security impact these base closures may create. Since complete information has not been made available to the Congress itself, no one in the legislative branch can be sure that the Commission has acted prudently.

Perhaps it is time for the Congress to reevaluate the way it has been conducting its business over the last few years. NFFE certainly recognizes the difficult and complex problems that you are faced with day in and day out. Yet it appears that the delegation of public policy apparatus to various "commissions" is not the answer. The Quadrennial Commissions' pay raise proposal was a political disaster and many Members of Congress were unfairly vilified because of it. The American voters expect that the officials they elect will exercise their own discretion when making their own decision, whether these decisions are over pay raises or closing military bases. Moreover, I do not think the framers of the Constitution envisioned that the Congress "contract-out" its own functions.

Quite frankly Mr. Chairman, commissions, especially those like the Base Closure Commission, which met in executive session most of the time, are far too private in nature to do justice to the debate which should be required before decisions of this magnitude are made.

GEORGE AIR FORCE BASE, VICTORVILLE, CA

I would now like to turn your attention to the Commission's conclusions concerning George Air Force Base which is located in the high desert of southern California. NFFE represents the 450 nonsupervisory employees at George and the information we present to you was compiled by our Local union leaders there.

The Commission proposed that George AFB be closed and that its most important functions be moved to Mountain Home AFB, and other, less important functions be moved to Cannon AFB and Davis-Monthan AFB. Such relocations could have serious repercussions on the national security.

Currently, George is the only home of the F-4G, also known as the "Wild Weasel." This aircraft is a modified F-4 that has been considered vital to our Nation's security. The Commission proposes that the F-4G be moved to Mountain Home AFB. The primary problem with this recommendation is that Mountain Home has only 220 flying days per year and George is listed as its winter weather flying alternative because of its 361 flying days per year. It simply does not make sense to base a none-of-a-kind Fighter Wing at a location that is unsuitable for flight 40% of the time. Obviously, readiness and training would be jeopardized.

Another matter that the Commission overlooked is that our allies in West Germany pay the U.S approximately $50 million per year for the privilege of using the George AFB facilities for training. I submit to you, that if the Germans wanted to fly in rain and snow, they could stay in Germany. The arrangement with George AFB exists because of the favorable climatic conditions for flying. This fact raises the question: did the Commission consider the reaction of our allies when it made its closure recommendations?

Another point raised by the Commission is clearly incorrect. The Report states that George has a shortage in bachelor housing. The fact is that George has an excess capacity in bachelor housing for enlisted personnel; its current lodging facilities for such military personnel are only 85% full.

One of the most disturbing arguments in the Report concerns George's alleged inability to hire technically qualified civilian workers. However, there are only 15 civilian aircraft technician positions at George and, according to George's parent command, difficulties in filling these positions were due primarily to incompetence in the Civilian Personnel Office. There are no competing industries within a 35 mile radius of George.

There are difficulties in recruiting qualified professional engineers. Mr. Chairman, you are probably aware that engineer positions have proved difficult to fill nationwide due to the noncompetitive level of salary and benefits offered by the Federal government. If we closed each base that had difficulty filling engineer positions, we would not have one single military installation left in this country.

The closing of George Air Force Base will have a disastrous effect on the economy in the high desert. The base is the largest employer in the Victory Valley and pumps an estimated $500 million a year into a region of 150,000 people. Moreover, the base hospital provides services to hundreds of military retirees in the area and there are no ready alternatives for health care. The base commissary helps these same retirees make ends meet on a pension that has been the target of budget cuts for almost a decade.

Finally, the closing of George will probably not save the taxpayers a nickle. By the time relocation expenses, community economic assistance, early retirement, severance pay, and other realignment costs are accurately figured, the closing of George could well cost the taxpayers significantly. To add insult to injury, the $80 million spent on new construction since 1985 will have been in vain. George has new dormitories, a new runway, a new hospital, a new headquarters building, a new weapons building, two new aircraft paint hangars and a new supply building which is currently under construction. Clearly, all taxpayers will share in the loss with the closing of George.

NORTON AIR FORCE BASE, SAN BERNARDINO, CA

I now turn your attention to the proposal to close Norton AFB. Our Local union leaders at Norton have provided us with tremendous insight into Norton's operations and they are the source for much of my testimony here today.

Norton is a relatively easy target for closure since it is a pre-World War II facility. However, closing Norton is tantamount to junking an older car right after it has been completely overhauled and given new parts. The Commission's reasoning in closing Norton simply makes no sense at all. Examples abound:

The Report says Norton has difficulty recruiting qualified personnel yet proposes to move most functions to March AFB which is only 15 miles away. March will likely experience the same difficulties in this regard that Norton is allegedly experiencing.

The Report says increasing air traffic congestion in the Los Angeles Basin reduces Norton's military value yet March is only six nautical miles away. I submit that the air traffic congestion will be just as apparent at March if Norton is closed. More importantly, the Commission's own report states that airspace usage will be unchanged if Norton is closed.

The Report says there is a shortage of adequate warehouse and weapons storage facilities. Yet our members who work at Norton everyday testify to the fact that there is vacant space in the existing weapons storage facilities and that major renovations of warehouse facilities have been completed. The Air Force's own reports show only minor deficiencies in this regard. We ask the question: did the Commission ever visit Norton before reaching their conclusions?

The Report says that Norton suffers from "higher than normal" maintenance expenses yet failed to consider the fact that the rebuilding of Norton is almost complete and maintenance expenses at Norton are expected to be well within the "normal" range for the foreseeable future.

The Report says that there are inadequate medical facilities at Norton yet fails to consider that there are three major hospitals within ten miles of the base and a VA Hospital just three miles away.

The Report says that there is a shortage of recreational facilities at Norton. Frankly, Mr. Chairman, people who can't find anything to do in the greater Los Angeles area just aren't looking. Moreover, Norton has three swimming pools, tennis courts, soccer and softball fields and many other amenities. Nevertheless, we must remember that this is a military base and not a honeymoon resort.

Finally, we have the Commission's conclusion that the closing of Norton will not have more than a minimal impact on the affected communities. This conclusion is absolutely preposterous. Impact data which we have seen indicates that 30,000 jobs in the community depend on Norton. There will also be significant increase in traffic congestion in the March AFB area. There is only one main road to March and it is overflowing as it is. The addition of two to three thousand additional commuters will create severe traffic and environmental problems in the March area.

CHANUTE AIR FORCE BASE, RANTOUL, IL

The last installation, we'd like to comment on is Chanute AFB located in Rantoul, Illinois. The Report's conclusions as they pertain to Chanute are clearly in error.

The primary reason for proposing Chanute's closure relates to its alleged lower quality and insufficient facilities. The Commission made this finding without taking the trouble to visit the base. If they had, they would have discovered that the $170 million Congress has appropriated to Chanute since 1980 has been well spent. There are new facilities at the Fire Prevention School, the Liquid Fuels School, and the Weather Training School. Many of these facilities are unique and would have to be constructed elsewhere at great expense. Estimates on the cost of replacing the facilities that are now in operation at Chanute exceed a quarter of a billion dollars.

The closing of Chanute will have far more than the "moderate" impact on local employment that the Report suggests. It will also deepen an already staggering budget deficit. Again, the proposed closure just doesn't make sense.

CONCLUSION

NFFE is the representative of the employees of just three of the 86 military installations that the Commission proposes to close. We have demonstrated today that in each of the three installations represented by NFFE the Commission has made substantial errors in its factual conclusions. We cannot help but wonder how many other errors the Commission has made. For the sake of the National Security, the budget deficit and the affected communities we believe that the Commission's recommendations should be scrutinized further. The public policy through blue ribbon committee approach must be discarded. Commissions have their purpose; but the purpose cannot extend to the performance of the functions of the Congress for the sake of political expediency. The stakes are simply too high.

If these recommendations are implemented, NFFE requests that the Congress pass legislation providing for the mandatory placement of all Federal workers who are displaced. We ask that all workers be guaranteed a job at the grade they currently hold. If sufficient vacancies do not presently exist within the Federal government, these workers should be offered mandatory placement rights for vacancies for which they qualify over the next five years. The government, as an employer, owes at least this much to the people who have dedicated their careers to protecting the National Security.

One cannot underestimate the impact the base closure recommendations have had on affected employees and their dependents. The personal stories we hear concerning college plans put on hold, medical care put off, decisions on marriage and family delayed are literally heartbreaking. The economic uncertainty our members now face is not at all easy to live with. But you are their hope; they remain optimistic that Congress will get to the bottom of this and reconcile the Commission's report with reality.

[Whereupon, at 10:52 a.m. the hearing was adjourned.]

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